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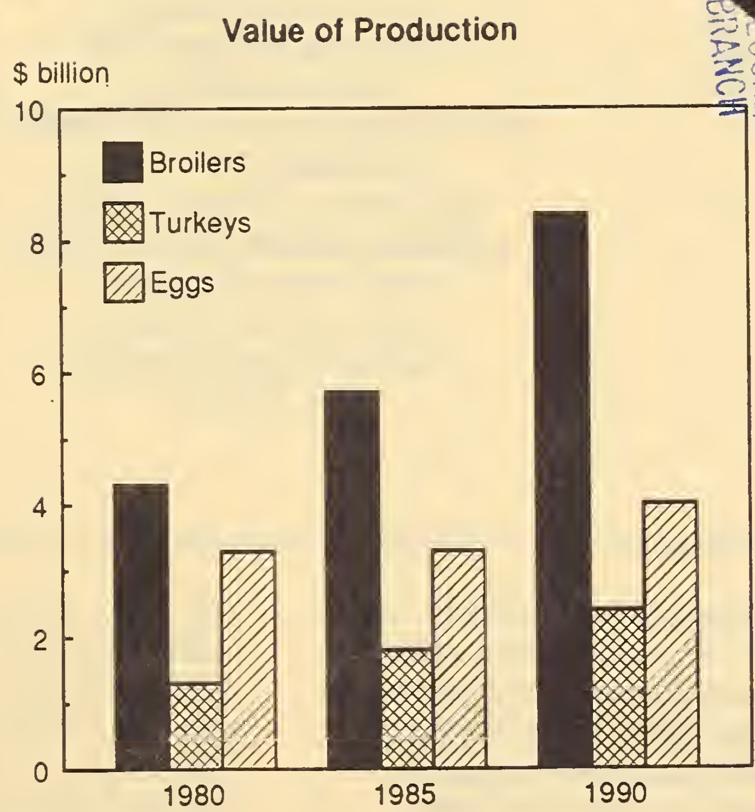
Situation and Outlook Report



1990 preliminary.

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The present forecasts will be updated, if needed, in the World Agricultural Supply and Demand Estimates scheduled for release on June 11, and July 11, 1991.

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Summary

Red meat and poultry production in 1991 is expected to rise more than 3 percent from last year. Led by continued growth in broilers, poultry output is projected to rise about 5 percent. Red meat production is forecast to increase 2 percent, the first year-to-year gain since 1988. Producer returns are anticipated to be positive for broilers and eggs, but near breakeven for turkeys. Pork producers' returns are favorable and are expected to remain so for the rest of the year. Returns to cow-calf producers continue above cash costs, as they have since 1986.

Broiler production is expected to advance about 6 percent this year. Wholesale broiler prices are likely to average 51-55 cents per pound, compared with 55 cents last year. The steady-to-lower prices probably will encourage retailers to feature broilers, especially during the cookout season, as beef and pork prices remain relatively high. Retail prices for whole fresh fryers are expected to average about the same as in 1990.

Growth in turkey production is likely to moderate in second-half 1991 and increase about 4 percent for the year, following last year's 9-percent rise. Wholesale turkey prices are projected to average 62-66 cents per pound in 1991, compared with 63 cents last year. Retail prices for frozen whole birds are expected to average near 1990's 99 cents per pound.

Egg output is expected to rise 1 percent from last year. After averaging 86 cents per dozen in first-quarter 1991, New York wholesale egg prices are likely to average 74-78 cents for the year, down from 82 cents in 1990. Retail prices are forecast down 6-8 percent from 1990's $1.01 per dozen.

Commercial pork production this year is expected to climb 3 percent from 1990. Barrow and gilt prices are pegged at $51-55 per cwt, compared with last year's $54. Retail composite pork prices are forecast to average near last year's $2.13 per pound.

Beef production is expected to climb about 2 percent from last year, with all of the increase coming in the last three quarters. Fed beef will provide all of the increase, as nonfed production continues to decline. Choice steer prices are likely to be near 1990's $79. Retail beef prices are forecast up 1-3 percent from 1990; the peak probably occurred in April.

Table 1--Livestock, poultry, and egg production and prices (All percent changes shown are from a year earlier.)

Item	1989	1990					1991				
	Annual	I	II	III	IV	Annual	I	II 1/	III 1/	IV 1/	Annual 1/
						Million pounds					
Production:											
Beef	22,974	5,508	5,736	5,823	5,567	22,634	5,382	5,875	6,025	5,775	23,057
% change	-2	0	-1	-1	-4	-1	-2	2	3	4	2
Pork	15,759	3,905	3,647	3,641	4,107	15,300	3,901	3,800	3,825	4,275	15,801
% change	1	1	-7	-4	-1	-3	0	4	5	4	3
Lamb & mutton	341	93	89	84	92	358	98	90	87	91	366
% change	4	6	11	4	0	5	5	1	4	-1	2
Veal	344	79	72	79	86	316	83	80	85	90	338
% change	-11	-13	-15	-6	2	-8	5	11	8	5	7
Total red meat	39,418	9,585	9,544	9,627	9,852	38,608	9,464	9,845	10,022	10,231	39,562
% change	-1	0	-3	-2	-3	-2	-1	3	4	4	2
Broilers 2/	17,334	4,495	4,657	4,630	4,768	18,550	4,780	4,920	4,900	5,000	19,600
% change	8	9	6	5	8	7	6	6	6	5	6
Turkeys 2/	4,175	983	1,102	1,223	1,253	4,561	1,055	1,150	1,250	1,280	4,735
% change	6	22	9	4	6	9	7	4	2	2	4
Total poultry 3/	22,039	5,611	5,904	5,982	6,134	23,631	5,960	6,210	6,275	6,400	24,845
% change	7	11	7	5	7	7	6	5	5	4	5
Total red meat and poultry	61,457	15,196	15,448	15,609	15,986	62,239	15,424	16,055	16,297	16,631	64,407
% change	2	4	0	0	1	1	2	4	4	4	3
						Million dozen					
Eggs	5,598	1,391	1,411	1,413	1,445	5,660	1,417	1,425	1,425	1,445	5,712
% change	-3	0	1	1	2	1	2	1	1	0	1
Prices						Dollars per cwt					
Choice steers, Nebraska direct, 1100-1300 lb	73.86	78.46	78.25	76.91	80.60	78.56	80.09	77-81	74-80	77-83	77-81
Barrows and gilts, 7-markets	44.03	49.45	59.01	57.67	51.67	54.45	51.50	52-56	52-58	47-53	51-55
Slaughter lambs, Ch., San Angelo	67.32	59.62	60.13	52.07	50.33	55.54	49.44	56-60	50-56	50-56	51-55
						Cents per pound					
Broilers, 12-city avg. 4/	59.0	56.5	56.6	57.2	48.8	54.8	51.2	52-56	53-59	47-53	51-55
Turkeys, Eastern region 5/	66.7	56.5	61.3	66.3	68.6	63.2	56.1	60-64	64-70	67-73	62-66
						Cents per dozen					
Eggs New York 6/	81.9	87.8	74.6	77.8	88.5	82.2	85.9	68-72	71-77	73-79	74-78

1/ Projected. 2/ Federally inspected. 3/ Includes broilers, turkeys, and mature chickens. 4/ Wholesale weighted average. 5/ Wholesale, 8- to 16-pound young hens. 6/ Cartoned, consumer Grade A large, sales to volume buyers.

Factors Affecting Livestock and Poultry

The weak economy and anticipated record large red meat and poultry supplies raise concerns about the price outlook for livestock and poultry producers. Overall, inflation and interest rates have been declining. However, the core inflation rate, which excludes the food and energy components, continued to rise during the first 3 months of this year.

The economy is in a recession that began last summer. However, economic growth is expected before the end of 1991, although the rebound in the economy is not likely to be as robust as in previous expansions. The gross national product (GNP) for all of 1991 is expected to show little change from 1990, after a 1-percent increase in 1990.

Inflation in 1991, as measured by the GNP price deflator, is expected to rise at about the same rate as last year (4.1 percent). The high first-quarter rate is projected to taper off as energy price declines work through the economy.

As the economy has grown weaker, the Federal Reserve has continued to move cautiously to lower interest rates. Major banks lowered their prime rate to 8.5 percent on May 1. The lower interest rates likely will encourage moderate personal consumption and investment, particularly in the second half of the year. The prime rate in 1991 is expected to average near 9 percent, compared with 10 percent in 1990.

Livestock and poultry producers will likely have lower feed grain and protein meal costs in 1991 and 1992. The *Prospective Plantings* report indicated that farmers intend to plant 76.1 million acres of corn in 1991, up 3 percent from last year. Corn production is projected at 8.3 billion bushels, up 4 percent from 1990 as yields are projected to rise. Although production is projected to be up, the tight stock situation will make prices sensitive to weather and international grain sales during the growing season. Farm corn prices are projected to average $1.95 to $2.35 per bushel in 1991/92, compared with $2.25 to $2.35 in 1990/91.

Soybean ending stocks for 1990/91 are projected at 355 million bushels, up nearly 50 percent from 1989/90, due to a dampening of export expectations. Soybean meal prices (44 percent, Decatur) are projected to average $145 to $185 per ton in 1991/92, compared with $165 in 1990/91.

Poultry and Eggs

Production of broilers, turkeys, and eggs is expected to increase in 1991, keeping pressure on prices. However, turkey prices are strengthening after a slow start, and are expected to average about the same as last year. Broiler production is expected to be up 5-6 percent, and turkeys 3-4 percent, a slower rate of increase than in recent years. Indicators of future production, such as net returns, current hatchery laying flock size, and hatchery supply flock size, point toward continued, but slower, expansion in broilers. Total egg production will likely rise about 1 percent, with hatching eggs representing most of the increase.

Net returns are expected to continue positive in 1991, but average lower for broiler and egg producers. Turkey producers' returns are projected to improve sharply in the second half and average near breakeven for the year.

Broilers

Slower Growth Likely in 1991

Broiler producers are likely to slow production increases this year, reflecting lower net returns in 1990 and the first quarter

Table 2--Federally inspected young chicken slaughter, 1988-90

Year	Number	Average weight	Live weight	Certified RTC
	Million	Pounds	Million pounds	
1990:				
I	1,412	4.39	6,201	4,495
II	1,470	4.36	6,416	4,657
III	1,484	4.29	6,368	4,630
IV	1,474	4.45	6,559	4,768
Year	5,840	4.37	25,543	18,550
1991:				
I 1/	1,459	4.43	6,458	4,780

1/ Preliminary.

Table 3--Broilers: Eggs set and chicks placed weekly 1/

Date	Eggs set 1990	Eggs set 1991	Eggs set Change	Chicks placed 1990	Chicks placed 1991	Chicks placed Change
	---Thousands---		Percent	---Thousands---		Percent
Jan.						
5	129,905	135,268	4.1	105,567	107,681	2.0
12	131,436	134,405	2.3	104,453	109,051	4.4
19	130,675	134,266	2.7	104,271	109,980	5.5
26	130,888	136,065	4.0	103,891	108,595	4.5
Feb.						
2	130,434	138,039	5.8	105,731	107,006	1.2
9	130,987	139,681	6.6	105,157	107,871	2.6
16	134,130	140,258	4.6	105,097	110,269	4.9
23	135,458	140,611	3.8	105,340	110,271	4.7
Mar.						
2	136,247	141,136	3.6	105,852	111,991	5.8
9	136,950	140,846	2.8	107,843	113,482	5.2
16	137,003	140,949	2.9	109,631	112,937	3.0
23	135,956	139,435	2.6	110,602	114,436	3.5
30	138,366	141,612	2.3	111,597	113,700	1.9
Apr.						
6	139,546	142,839	2.4	111,031	113,274	2.0
13	139,943	142,928	2.1	109,801	112,094	2.1
20	140,070	144,062	2.9	111,160	114,890	3.4
27	133,780	141,330	5.6	112,803	114,672	1.7
May.						
4	136,226	144,312	5.9	111,688	115,232	3.2
11	138,400	145,713	5.3	112,810	116,142	3.0
18	138,581			107,523		
25	140,433			110,636		
June						
1	139,259			111,367		
8	139,047			111,440		
15	139,681			113,101		
22	136,813			111,663		
29	127,726			111,644		

1/ 15 States: Ala., Ark., Calif., Del., Fla., Ga., Md., Miss., N.C., Pa., S.C., Tenn., Tex., Va., and W. Va.

of 1991. Broiler production is expected to reach about 19.6 billion pounds, up 5-6 percent from a year ago, compared with a 7-percent increase in 1990.

First-quarter production grew about 6 percent from a year earlier, compared with almost 9 percent during the same period a year ago. Second-quarter growth is also expected to be slightly below the 6-percent increase of a year ago, based on the broiler-type chicks hatched from February through April, which averaged 4-5 percent above a year earlier. Third-quarter increases will probably be fractionally higher than a year ago, but fourth-quarter growth is likely to slow to 4-5 percent, compared with nearly 8 percent a year ago.

Broiler-Type Hatching Egg Flock Is Larger

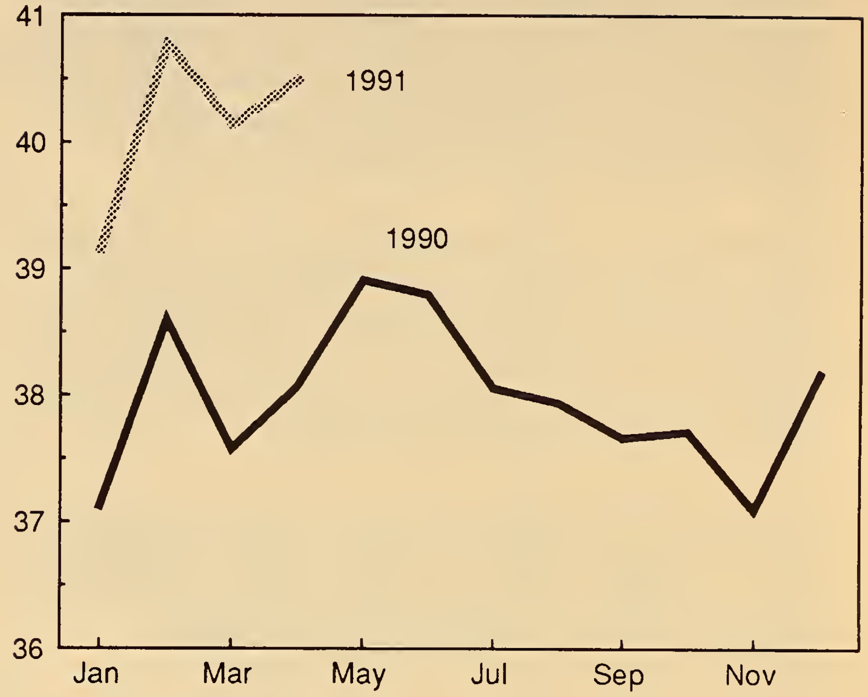
The size of the hatching egg flock is a good indicator of short-term production capacity in the broiler industry. The flock size shows the potential egg laying capacity to produce broilers for slaughter about 2 1/2 months in the future. About 90-95 percent of the total hatching egg flock represents broiler-type layers, while the remainder represents egg-type layers. Through April 1, the broiler-type layer flock was 5-7 percent larger than last year, indicating expansion capacity at least through the third quarter.

Growth in Hatchery Supply Flock Slowing

The size of the broiler hatchery supply flock is a long-term measure of broiler production capacity. The sum of the broiler-type pullet placements 7-14 months earlier provides an estimate of the size of the hatchery supply flock.

Year-over-year changes in pullet placements in 1991 have been positive thus far, but in March were up only half a percent from a year ago, compared with almost 6 percent in March 1990. The estimated size of the hatchery supply flock since January 1991 averaged 6- to 7-percent above a year ago, and for October 1991 is estimated to be over 5 percent larger. When compared with an average 8- to 9-percent

Figure 1
Broiler-Type Hatching Egg Flock
Million layers



First of the month.

increase in the hatchery supply flock during January-October 1990, and about a 9-percent increase in October 1990, the 1991 supply flock estimates suggest producers are slowing expansion.

Broiler Prices Are Lower

Expected large supplies of broilers are likely to keep pressure on broiler prices in 1991. Broiler exports are projected to be below the 1990 record, adding to the probability that broiler prices will average below a year earlier. The 12-city wholesale price for broilers is expected to average in the low 50's in 1991, a few cents below the nearly 55 cents in 1990.

High beef prices have helped support broiler prices in spite of the large broiler supplies available. Even though broiler prices have averaged below a year earlier thus far, they have

Table 4--Broiler chicks hatched and pullet chicks placed in hatchery supply flocks, 1988-91

				Pullet chicks placed in broiler hatchery supply flocks					
Month	Broiler-type chicks			Monthly placements			Cumulative placements 1/		
	1989	1990	1991	1989	1990	1991	1989	1990	1991
	Thousands								
January	482,983	516,660	543,886	3,982	4,587	4,594	32,512	34,352	37,096
February	444,109	473,258	497,143	4,173	4,340	4,929	32,484	34,764	37,526
March	503,733	544,218	567,133	4,662	4,924	4,951	32,566	35,277	37,708
April	495,104	537,996		4,385	4,592		33,046	35,882	38,011
May	524,386	555,033		4,535	5,089		33,150	36,416	38,551
June	510,760	542,228		4,528	5,134		32,327	35,762	38,341
July	513,208	542,359		4,205	4,438		32,602	35,799	38,489
August	510,518	544,058		4,807	4,604		32,310	35,851	37,994
September	485,239	510,002		4,587	4,890		32,539	35,663	37,789
October	484,566	510,830		4,707	4,880		33,466	36,382	38,302
November	469,941	490,479		4,008	4,714		33,652	36,167	
December	522,401	547,473		4,422	4,740		34,114	36,669	

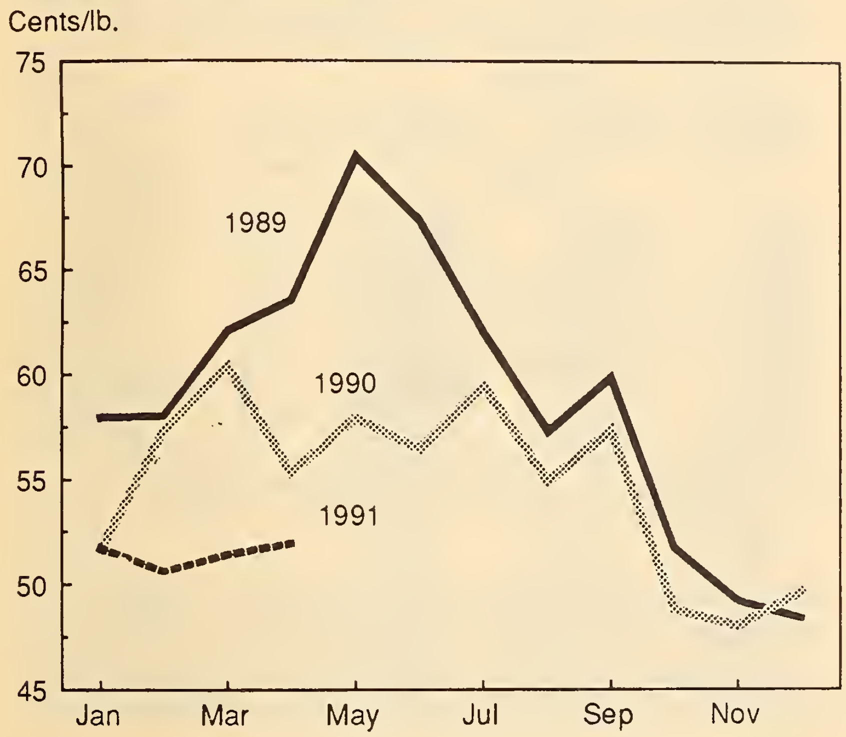
1/ 7-14 months earlier.

remained above costs. First-quarter prices averaged about 51 cents a pound, compared with nearly 57 cents a year earlier. Second-quarter prices are expected to continue lower and average in the low- to mid-50's. Prices likely will rise seasonally late in the second quarter and through the third quarter, when the demand for broiler meat is boosted by summer cookouts and increased fast food consumption associated with summer vacations.

Retail prices for whole fryers in 1991 are expected to average 1-2 cents below a year ago. First-quarter prices averaged only slightly below a year earlier at almost 90 cents a pound, resulting in a wider wholesale-to-retail price spread than last year. Average retail prices for whole fryers are expected in the high 80's throughout the year, with below year-earlier averages during the second and third quarters and a slightly higher average in the fourth.

Figure 2

Wholesale Broiler Prices



12-city composite.

Breast and Leg Quarter Prices Below 1990 Levels

Wholesale prices for skinless, boneless breasts and leg quarters in the Northeast region in 1991 are averaging below a year earlier, due mainly to larger supplies and to a slower demand for further processed chicken, particularly among fast food establishments. Breast prices during the first quarter averaged about $1.71 a pound, 17 percent below a year earlier. Leg quarter wholesale prices averaged about 2 percent below last year, partially due to lower broiler exports this year.

The recession generally has resulted in a slowdown in hotel and restaurant trade as well as in fast food businesses, reflecting a weakness in the demand for further processed broilers during the first quarter. However, retail demand for cut-up chicken was good, supporting retail prices for breasts and leg quarters. Increases in broiler supplies during the first quarter were thus channeled through the retail market in the form of cut-up parts. Wholesale prices for breasts and leg quarters are likely to remain below a year earlier through the third quarter as the economy probably will continue weak and red meat supplies are expected to increase.

Industry Remains Profitable But Net Returns Lower

Despite estimates of lower broiler prices in 1991, lower corn and soybean meal prices will help keep net returns positive but below last year. Net returns for 1991 are expected to average about 1-2 cents below last year's 8 cents a pound.

Table 5--Young chicken prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
						Cents/lb.							
Farm price 1/:													
1989	34.6	34.7	38.6	39.1	44.6	42.2	38.7	35.7	36.1	30.2	29.4	28.6	36.0
1990	30.0	33.2	35.7	32.7	35.0	34.1	36.3	32.6	34.0	28.4	27.9	28.8	32.4
1991	30.9	29.9	30.6	30.4									
Wholesale RTC 12-city avg. 2/:													
1989	58.0	58.0	62.1	63.5	70.4	67.4	62.0	57.3	59.9	51.7	49.2	48.4	59.0
1990	51.7	57.4	60.4	55.3	57.9	56.4	59.5	54.9	57.4	48.8	48.0	49.6	54.8
1991	51.7	50.6	51.4	52.0									
U.S. avg. retail price:													
1989	90.5	89.9	91.3	93.2	96.1	98.2	96.4	95.4	94.2	91.0	87.9	88.3	92.7
1990	88.2	89.6	92.8	89.7	90.2	92.8	91.7	91.2	90.7	88.3	88.0	85.8	89.9
1991	88.6	90.3	89.9	88.5									
Price spreads retail-to-cons.:													
1989	27.3	28.6	24.9	29.4	20.2	25.1	27.7	30.9	29.4	33.1	32.0	33.6	28.5
1990	30.5	27.0	29.0	29.4	26.5	30.5	24.9	30.4	27.9	33.7	34.2	30.2	29.5
1991	31.5	33.6	33.7										
Retail pr. index wh. chickens:						1982-84 = 100							
1989	133.7	133.2	135.6	138.0	142.9	144.7	141.7	140.8	139.1	134.9	130.4	130.4	137.1
1990	131.5	133.6	138.4	134.9	134.8	138.2	137.6	136.7	136.3	133.8	132.9	130.6	134.9
1991	131.1	134.1	133.4	131.7									

1/ Liveweight. 2/ 12-city composite weighted average.

Table 6--Poultry and eggs costs and returns 1/

Year	Production costs: Feed	Production costs: Total	Wholesale: Total costs 2/	Wholesale: Price 3/	Net returns
			Market eggs (cents/doz)		
1990:					
I	27.6	45.9	66.3	90.8	24.4
II	29.6	47.8	68.3	76.8	8.6
III	30.0	48.2	68.7	79.3	10.6
IV	27.3	45.5	66.0	88.6	22.6
Year	28.6	46.8	67.3	83.9	16.6
1991:					
I	27.8	45.6	66.5	89.2	23.0
			Broilers (cents/lb)		
1990:					
I	15.7	23.7	46.0	56.5	10.5
II	15.8	23.8	46.1	56.6	10.5
III	16.8	24.8	47.4	57.2	9.7
IV	15.8	23.8	46.1	48.8	2.6
Year	16.0	24.0	46.4	54.7	8.3
1991:					
I	15.1	23.1	45.1	51.3	6.1
			Turkeys (cents/lb)		
1990:					
I	23.1	36.8	62.3	55.6	-6.7
II	22.5	36.2	61.5	61.6	0.0
III	24.2	37.9	63.6	66.7	3.0
IV	23.6	37.3	62.9	67.1	4.2
Year	23.4	37.1	62.6	63.2	0.5
1991:					
I	22.0	35.7	61.0	54.9	-6.1

1/ Estimated costs and prices are weighted by monthly production. 2/ Based on farm cost converted to wholesale market value. 3/ Wholesale prices used are the 12-metro egg price, 12-city weighted average broiler price, and a weighted average of 8-16 lb young hens and 14-22 lb toms in Central, Western and Eastern Regions.

Compared with a year earlier, broiler prices during first-half 1991 are expected to drop more than feed costs, causing average net returns to remain favorable but about 3-4 cents below a year ago. First-quarter net returns averaged over 6 cents a pound, compared with about 10 cents a year earlier. Second-quarter net returns will probably average 2-3 cents below the 10-cent average of a year ago, because feed costs are likely to be unchanged to slightly higher than last year and broiler prices are expected to be about 5 percent lower.

Net returns during the second half of 1991 are estimated to average slightly higher than a year earlier. Expected lower broiler prices in the third quarter relative to a year ago will probably be offset by a 4- to 5-percent drop in feed costs, allowing net returns to average about unchanged from the 9-10 cents of a year ago. Fourth-quarter net returns will likely average 1-2 cents above last year, given expected higher broiler prices and lower feed costs.

Production and Value for Broilers

The April 1991 *Poultry—Production and Value*, prepared by the National Agricultural Statistics Service, reports the number of broilers raised during the 1990 marketing year (December 1, 1989-November 30, 1990) at around 5.9 billion

Table 7--Broilers: Production and value 1/

Year	Produced: Number	Produced: Pounds	Price/lb	Value of Sales
	- - - Thousands - - -		Cents	$1,000
1981	4,147,521	16,519,568	28.4	4,699,379
1982	4,148,970	16,759,860	26.9	4,502,214
1983	4,183,660	17,037,998	28.6	4,872,707
1984	4,283,020	17,861,023	33.7	6,020,066
1985	4,469,578	18,809,938	30.1	5,668,272
1986	4,648,520	19,661,110	34.5	6,784,088
1987	5,003,560	21,523,356	28.7	6,177,127
1988	5,237,901	22,464,480	33.1	7,435,105
1989	5,516,521	23,978,816	36.6	8,777,668
1990 2/	5,864,650	25,633,600	32.6	8,366,284

1/ Data reported on December-November marketing year. 2/ Preliminary

Table 8--Nonbroiler chickens: Production and value 1/

Year	Sales: Number	Sales: Pounds	Price/lb	Value of Sales
	- - - Thousands - - -		Cents	$1,000
1981	238,576	1,187,255	11.1	132,271
1982	242,027	1,158,703	10.3	118,915
1983	236,710	1,158,551	12.7	147,454
1984	224,829	1,066,652	15.9	169,526
1985	220,395	1,025,146	14.8	151,682
1986	218,238	1,025,716	12.5	127,730
1987	217,688	1,018,400	11.0	111,827
1988	224,458	1,038,817	9.2	95,294
1989	199,032	926,525	14.9	138,421
1990 2/	208,085	981,619	9.6	94,540

1/ Data reported on December-November marketing year. 2/ Preliminary

birds, about 6 percent above the previous year. Total liveweight production was 25.6 billion pounds, with the farm value at almost $8.4 billion. Lower prices decreased the annual value of production 5 percent from the 1989 marketing year.

U.S. Broiler Exports Expected Lower in 1991

Exports this year will likely be about 1 billion pounds, down from 1990's record 1.143 billion. While sales to most markets are expected to rise during 1991, sales to the USSR, last year's leading market with purchases of 300 million pounds, are estimated to be substantially lower. The USSR has hard currency credit constraints, with commercial credit currently not available to finance its broiler purchases.

Earlier this year, a USDA credit guarantee of $25 million was used to finance about 57 million pounds of chicken meat sales to the USSR. The uncertainty regarding further sales to the USSR clouds the export forecast for 1991.

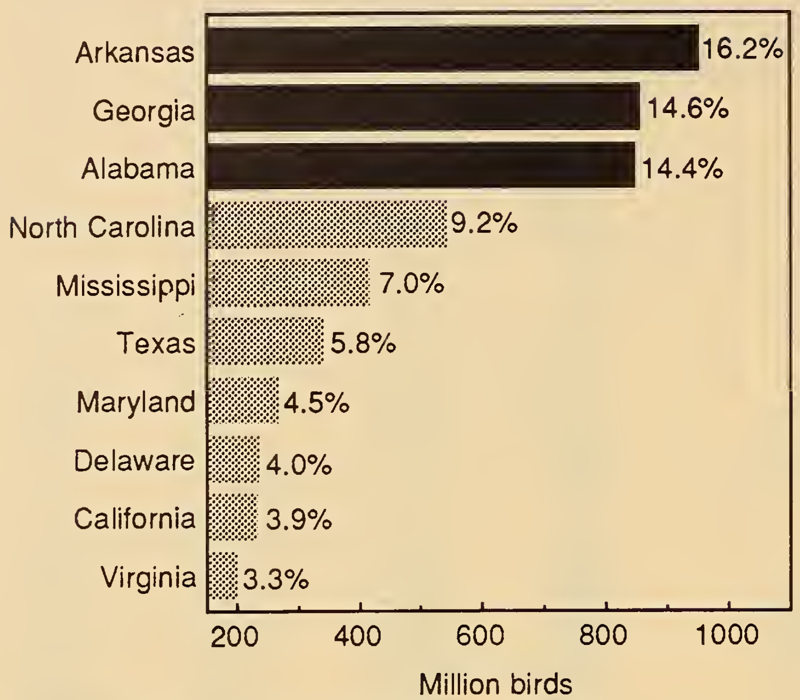
Through early May, sales to the USSR totaled about 95 million pounds and at this rate, will be below those to Japan and Hong Kong. However, some recent information on feed grain shortages has led to predictions that Soviet poultry meat production, instead of increasing as previously estimated, is expected to decline this year. This would enhance

Table 9--Commercial broilers and turkeys: Number produced or raised by States and regions, by years 1/

State and region	Commercial broilers produced 1/ 2/ 1987	1988	1989	1990	Turkeys raised, all breeds 3/ 4/ 1987	1988	1989	1990
	Thousands							
Conneticut					30	30	30	30
Maine	5/	5/						
Massachussetts					140	150	150	170
New Hampshire					26	26	26	20
New Jersey					115	100	100	100
New York	2,100	2,500	3,300	2,400	448	343	400	480
Pennsylvania	115,635	126,900	127,700	115,600	8,000	7,900	8,400	8,430
Rhode Island								
Vermont								
North Atlantic	117,735	129,400	131,000	118,000	8,759	8,549	9,106	9,230
Illinois					698	1,700	3,280	4,460
Indiana	5/	5/	5/	5/	13,000	13,200	13,200	13,700
Michigan	675	770	760	780	3,000	3,000	3,500	4,300
Ohio	14,000	14,500	16,000	20,500	3,400	3,600	4,100	4,750
Wisconsin	13,200	13,100	12,600	14,000	5,450	5/	5/	5/
East North Central	27,875	28,370	29,360	35,280	25,548	21,500	24,080	27,210
Iowa	2,600	2,900	4,700	9,450	8,500	7,800	7,600	8,800
Kansas					231	227	324	400
Minnesota	31,700	33,100	37,700	41,300	40,500	38,500	43,100	46,300
Missouri	50,400	54,500	70,100	88,200	15,500	16,500	17,300	18,000
Nebraska	1,074	1,129	2,150	2,950	1,942	1,770	2,050	2,110
North Dakota	5/	5/	5/	5/	1,240	1,150	1,280	1,350
South Dakota	5/	5/	5/	5/	2,376	2,370	2,220	2,600
West North Central	85,774	91,629	114,650	141,900	70,289	68,317	73,874	79,560
Delaware	209,818	217,455	226,415	231,700	7/ 133	7/ 135	7/ 100	7/ 110
Florida	116,980	123,198	123,562	119,600				
Georgia	733,417	772,825	811,964	854,500	2,432	2,400	1,900	2,010
Maryland	264,196	252,400	257,766	265,400	7/	7/	7/	7/
North Carolina	477,700	500,100	520,000	540,300	48,350	47,900	52,200	58,000
South Carolina	68,051	70,832	76,905	83,600	3,950	5,570	5,360	5,500
Virginia	154,036	175,748	182,371	195,900	16,200	16,300	16,600	17,000
West Virginia	32,770	35,166	35,338	41,000	2,400	2,300	2,870	3,850
South Atlantic	2,056,968	2,147,724	2,234,321	2,332,000	73,465	74,605	79,030	86,470
Alabama	666,538	702,784	750,074	846,900				
Arkansas	878,574	896,832	920,498	951,200	18,000	18,000	19,800	22,000
Kentucky	2,894	2,704	2,272	1,520				
Louisiana	5/	5/	5/	5/				
Mississippi	343,395	360,971	387,336	413,000				
Oklahoma	90,600	120,900	135,100	142,000	5/	5/	5/	5/
Tennessee	89,500	87,000	99,300	99,100				
Texas	259,000	266,300	291,600	338,100	5/	5/	5/	5/
South Central	2,330,501	2,437,491	2,586,180	2,791,820	18,000	18,000	19,800	22,000
Alaska								
Arizona								
California	196,120	212,199	223,130	231,100	25,500	26,500	30,200	32,000
Colorado					5/	5/	5/	5/
Hawaii	2,311	2,261	2,249	1,940				
Idaho								
Montana								
Nevada								
New Mexico								
Oregon	18,000	17,300	20,000	23,700	1,830	1,800	2,100	2,300
Utah					3,731	3,900	3,590	3,930
Washington	26,800	28,200	30,500	33,300				
Wyoming								
West	243,231	259,960	275,879	290,040	31,061	32,200	35,890	38,230
Other States 5/	141,476	143,451	145,131	155,610	13,316	19,250	19,500	20,300
United States 6/	5,003,560	5,238,025	5,516,521	5,864,650	240,438	242,421	261,280	283,000

1/ Includes production of other meat-type breeds. 2/ December 1 through November 30 marketing year. 3/ Does not include young turkeys lost; based on turkeys hatched September 1 of previous year through August 31 of the current year. 4/ Calendar year. 5/ Combined to avoid disclosing individual operations. 6/ Excludes States producing less than 500,000 birds. 7/ Maryland and Delaware combined.

Figure 3
Leading Broiler-Producing States in 1990



Other States raised 17.0 percent of the total.

Table 10--U.S. broiler exports to major importers,

Country or area	February	January -February 1990	January -February 1991
		1000 lb.	
Japan	18,634	36,118	37,772
U.S.S.R.	5,600	37,472	37,178
Hong Kong	19,045	27,257	32,450
Mexico	9,258	14,662	16,415
Canada	5,323	12,562	9,463
Singapore	4,472	8,034	9,029
Jamaica	2,710	4,792	5,150
Saudi Arabia	2,357	2,794	4,188
Spain	861	3,135	2,850
Netherlands Antilles	1,113	1,028	2,622
French Polynesia	737	1,219	1,696
Romania	0	371	0
Other	18,124	22,040	30,638
Grand Total	88,235	171,485	189,452

Table 11--U.S. mature chicken exports to major importers

Country or area	February	January -February 1990	January -February 1991
		1000 lb.	
Canada	572	1,410	904
St. Lucia	172	696	379
Netherlands Antilles	142	830	366
Mexico	211	337	325
Japan	103	103	237
Antigua	66	465	205
St. Christ-Nevis	89	138	181
Bahamas	24	124	110
Singapore	10	48	23
Hong Kong	0	0	13
Aruba	3	75	3
Other	317	1,048	547
Grand Total	1,710	5,274	3,294

the need for large imports of broiler meat by the USSR in second-half 1991.

Market Growth in the Pacific in 1991

Exports to the Asian Pacific countries, after being flat in 1990, will likely increase to about 500 million pounds this year and account for one-half of U.S. broiler exports. These economies are generally growing, but chicken meat production is declining as consumption is rising in Japan, Singapore, and Hong Kong. Competition is intense in these growing markets. New investments in poultry processing, often by the Japanese, in low-wage countries such as Thailand and China, where chicken is deboned for import by Japan, have added to the competition.

Thailand has become the world's fifth largest broiler exporter, surpassing Hungary. In 1990, Thailand supplied 37 percent of the Japanese import market, compared with 35 percent by the United States. Brazil and China each supplied about 12 percent. In Hong Kong, the United States remains the leading supplier with 38 percent of the market in 1990, followed by China with 26 percent.

Other Growing Markets

U.S. broiler sales are expected to increase sharply to the Middle East due to declining production. More imports are needed to fill the unmet and growing need. In 1989, U.S. sales to the Middle East were only 13 million pounds, but sales recovered to about 40 million in 1990 and should reach about 60 million pounds this year. Use of the Export Enhancement Program (EEP) will help the United States compete with subsidized whole birds from the EC, whose exports continue to grow steadily. However, the United States will probably be able to increase its market share because Brazil, a large supplier to the Middle East, is exporting less this year.

U.S. broiler sales to Mexico, Canada, and to the Caribbean also are also expected to grow this year. Although Canadian import quotas remain under the Free Trade Agreement (FTA), they have been enlarged, and broiler imports by Canada have grown under the FTA.

Turkeys

Turkey Production Growing Slower

Turkey production for 1991 is expected to increase 3-4 percent, much slower than the 9-percent increase of 1990. First-quarter production was up about 6 percent, compared with 22 percent a year earlier. Poult placements November through February indicate that second-quarter output will increase 4-5 percent, compared with 9 percent a year ago. Poult placements in March were below a year earlier, and in April were unchanged. Third-quarter production is estimated to rise only 2-3 percent from a year earlier.

Table 12--Federally inspected turkey slaughter

Year	Number	Average weight	Live-weight	Certified RTC
	Million	Pounds	Million pounds	
1990				
I	57.2	21.7	1,240.3	983.4
II	65.6	21.2	1,391.6	1,101.7
III	74.6	20.7	1,548.0	1,222.7
IV	73.7	21.5	1,583.3	1,252.8
Year	271.2	21.3	5,763.2	4,560.6
1991				
I 1/	59.9	21.6	1,293.8	1,055.0

1/ Preliminary.

Table 13--Turkey hatchery operations 1/

	Total turkeys placed 2/			Eggs in incubators first of month, changes from previous year		
	1988/89	1989/90	1990/91	1988/89	1989/90	1990/91
	- - -Thousands - - -			- - Percent - -		
Sept.	15,725	19,924	19,743	7	27	0
Oct.	16,821	20,171	21,517	5	25	0
Nov.	18,413	20,734	21,871	4	14	6
Dec.	20,444	21,542	22,777	6	14	2
Jan.	23,183	25,179	25,902	2	11	1
Feb.	23,853	24,609	25,348	6	6	0
Mar.	27,185	27,699	25,754	5	5	-5
Apr.	26,319	28,787	28,796	8	6	-5
May	28,756	29,124		10	6	-1
June	29,398	29,276		12	6	
July	26,555	29,000		16	2	
Aug.	23,058	25,281		21	11	

1/ Breakdown by breed not shown to avoid disclosing individual operations. 2/ Excludes exported poults.

Slower production expansion reflects the plunge in turkey prices late last year and grower losses during first-quarter 1991. However, if wholesale turkey prices continue to inch upwards as they have since February, and the outlook continues for stable or lower feed prices, net returns should be positive in the second half. With this outlook, placements are expected to increase again, and production growth will continue for the rest of the year.

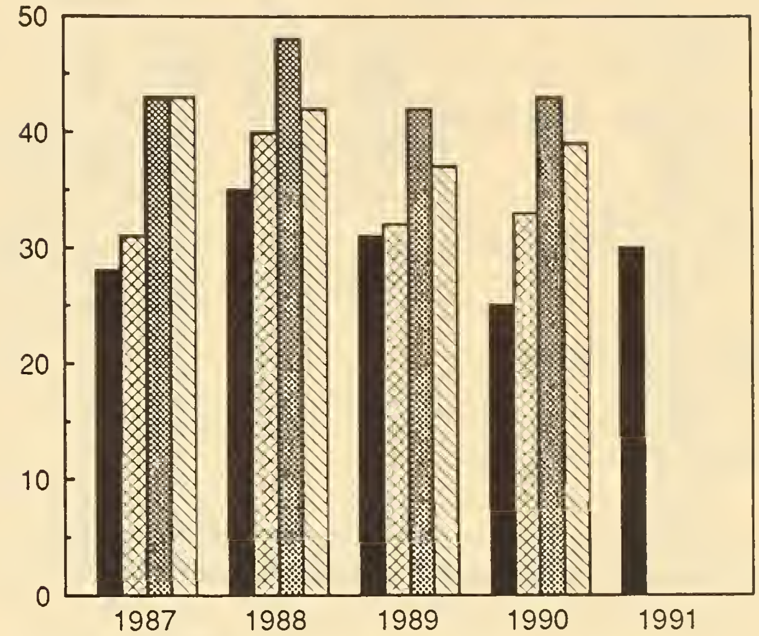
Record Cold Storage Stocks

Turkey stocks began to build last year as production expanded rapidly. At the end of 1990 stocks were 30 percent above a year earlier. On April 1 of this year they were 362 million pounds, 14 percent above a year earlier and 7 percent above the previous April 1 high in 1988. However, in relation to growing use, the April 1 stocks are considered reasonable. The stocks-to-use ratio was 30 percent, lower than in 1988 and 1989. Nevertheless, stocks are likely to continue relatively high, depending in part on production in the second half.

Prices Rising Slightly

Wholesale prices have been increasing slowly since February, but prices for Eastern region hens, at 56 cents per pound

Figure 4
Turkey Stocks-to-Use Ratios



Beginning quarter stocks divided by disappearance.

during the first quarter, averaged fractionally below last year. Prices moved up slightly in April, and in the Eastern region, both hens and light toms were 60 cents, averaging 2.5 percent above a year earlier. Second-quarter prices are expected to rise slightly, with Eastern hens averaging 60-64 cents, about the same as last year. Turkey prices have been supported in part by high red meat prices, with some turkey parts, such as drumsticks, reaching record highs. Prices have also been aided by near-record first-quarter exports, with over one-half being shipped to Mexico. During the third quarter, prices are expected to strengthen to about 67 cents, again about the same as last year, as expansion moderates.

For the year, Eastern hens should average about 61-67 cents, or about the same as last year's 63 cents. While slower production growth should support prices, relatively weaker red meat prices expected later this year may also weaken support for turkey prices. Finally, large stocks may restrain any sharp upward price moves.

Retail frozen whole turkey prices, which averaged 99.5 cents per pound during the first quarter, were fractionally above a year earlier. In March, however, prices declined to 97.5 cents, as turkey specials helped sales for the Easter season. For the year, retail prices are expected to average around 99 cents, about the same as last year. Continued larger supplies at relatively low prices, and aggressive marketing of turkey products will probably push consumption per capita to over 19 pounds during 1991.

Production and Value Increases Continued in 1990

The latest *Poultry—Production and Value* reports 283 million turkeys raised in 1990, over 8 percent more than in 1989. Liveweight production was up 10.5 percent to over 6

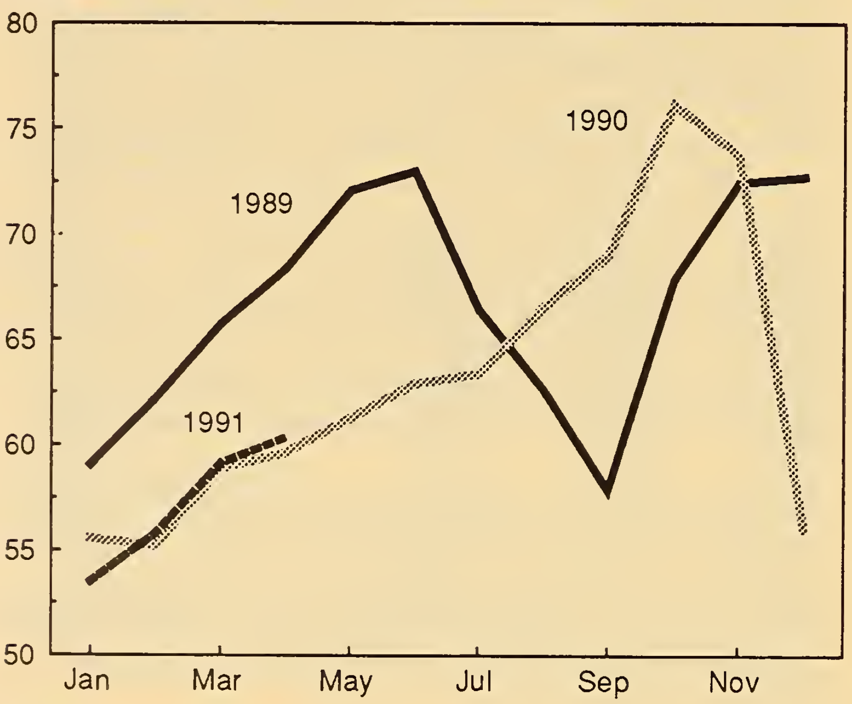
Table 14--Turkey prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
						Cents/lb.							
Farm price 1/:													
1989	35.5	38.4	40.3	42.0	43.6	43.8	41.2	40.8	36.4	38.2	40.7	39.3	40.0
1990	35.4	33.7	36.4	36.6	38.3	38.7	39.1	40.2	40.3	42.5	42.3	36.9	38.3
1991	33.9	34.4	37.6	36.7									
New York, hens, 8-16 lb 2/:													
1989	59.0	62.2	65.7	68.3	72.1	73.0	66.4	62.6	57.9	67.8	72.5	72.7	66.7
1990	55.6	55.2	58.9	59.6	61.3	62.9	63.4	66.6	69.0	76.2	73.7	56.1	63.2
1991	53.5	55.8	59.1	60.3									
4 region average retail price, wholebirds:													
1989	97.4	96.8	97.6	98.3	100.1	101.3	104.6	104.1	102.0	102.2	93.2	95.0	99.4
1990	98.9	98.3	99.4	97.1	99.8	99.8	100.8	101.4	103.3	105.6	91.1	96.0	99.3
1991	99.4	101.2	97.8	100.5									
Price spreads, retail-to-consumer:													
1989	29.8	29.9	25.7	23.2	20.7	20.7	30.2	32.3	34.2	28.9	13.4	15.4	25.4
1990	33.7	33.7	32.1	27.7	29.8	29.7	32.1	27.8	26.7	23.7	8.8	29.7	27.9
1991	37.1	38.1	31.2										
Consumer price index 3/:													
1989	114.2	116.3	118.7	121.5	123.2	124.1	126.0	124.6	124.4	123.2	119.2	121.1	121.4
1990	123.9	124.2	124.6	123.4	123.6	122.7	123.9	123.1	124.7	126.9	120.4	123.0	123.7
1991	125.1	126.8	126.5	126.0									

1/ Liveweight. 2/ Wholesale, ready-to-cook. 3/ Other poultry CPI.

Figure 5

Wholesale Turkey Prices



Hens, Eastern region.

Table 15--Turkeys: Production and value

Year	Produced: Number	Produced: Pounds	Price/lb	Value of Sales
	- - - Thousands - - -		Cents	$1,000
1981	170,875	3,264,463	38.2	1,247,803
1982	165,464	3,175,060	39.5	1,254,700
1983	170,723	3,335,519	38.0	1,269,051
1984	171,296	3,384,393	48.9	1,654,862
1985	185,427	3,703,994	49.1	1,819,526
1986	207,232	4,147,168	47.0	1,951,087
1987	240,438	4,894,858	34.8	1,703,137
1988	242,421	5,059,056	38.6	1,951,349
1989	261,280	5,465,453	40.9	2,234,422
1990 1/	283,000	6,041,836	39.4	2,383,179

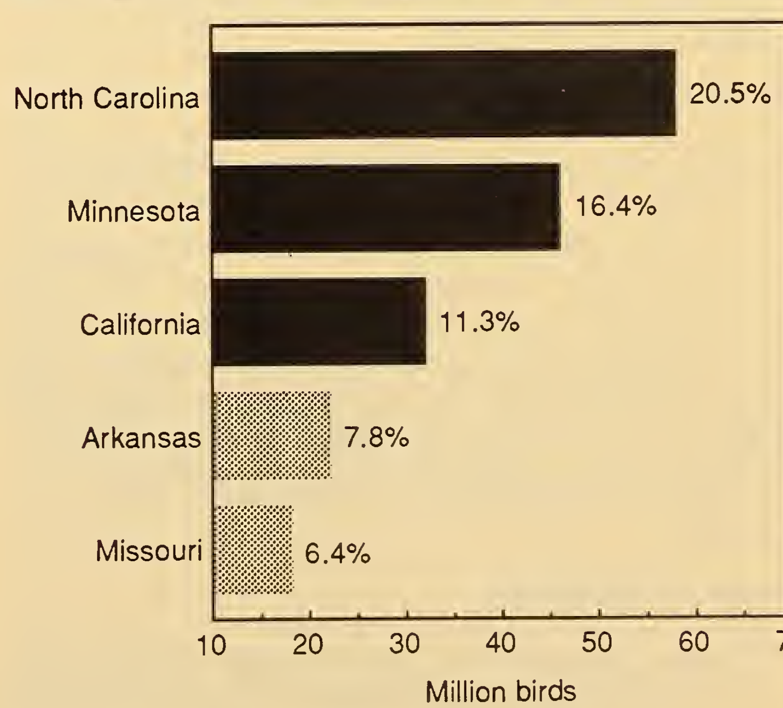
2/ Preliminary.

Table 16--U.S. turkey exports to major importers

Country or area	1991 February	January-February 1990	January-February 1991
		1000 lb.	
Mexico	3,104	1,267	6,493
South Korea	474	161	879
Germany	332	1,342	383
Hong Kong	146	261	361
Canada	206	414	351
Western Samoa	124	418	344
Japan	147	420	296
Marshall Islands	101	153	158
South Africa	0	195	61
Greece	43	166	43
USSR	0	0	0
Other	1,526	1,989	2,513
Grand Total	6,202	6,785	11,882

Figure 6

Leading Turkey-Producing States



Other States raised 37.7 percent of the total.

billion pounds. Average producer prices declined 3.7 percent, but total value of production at the farm level rose 6.7 percent to a record $2.38 billion. This was 16 percent of the total value of broilers, eggs, turkeys and chickens, and the highest share for turkey since 1985 when turkey prices were record high. The top turkey producing States continued to be North Carolina, Minnesota, and California. Their combined production was slightly over 48 percent of the total raised, about the same as in 1989.

Eggs

Hatching Eggs To Lead Egg Production Increases

Egg production in 1991 will be about 5.7 billion dozen eggs, about 1 percent more than last year. The total laying flock size is expected to remain about the same but be more productive than in 1990. Hatching-egg production will likely expand 4-5 percent, and table-egg production is expected to increase fractionally from a year earlier.

First-quarter table-egg production rose over 1 percent from a year earlier, as producers responded to strong net returns.

Table 17--Layers on farms and eggs produced, 1990-91 1/

Quarters	Number of layers		Eggs per layer		Eggs produced	
	1990	1991 2/	1990	1991 2/	1990	1991 2/
	- Million -		- Number -		Million dozen	
I	271	273	61.3	62.2	1387.0	1415.4
II	271		63.8		1437.6	
III	267		63.5		1412.2	
IV	273		62.4		1419.9	
Annual	271		251.0		5656.7	

1/ Marketing year beginning December 1. 2/ Preliminary.

Table 19--Egg-type chick hatchery operations

Month	Hatch			Eggs in incubators 1/		
	1989	1990	1991	1989	1990	1991
	-------Thousands--------			------Percent-------		
Jan.	26,602	32,004	33,145	-18	24	2
Feb.	27,271	32,107	34,757	1	24	2
Mar.	32,597	36,509	37,023	-16	27	-2
Apr.	36,135	36,915		4	5	5
May	38,376	37,895		5	3	
June	34,708	34,471		-2	-4	
July	29,828	31,582		16	-1	
Aug.	32,217	32,949		17	-2	
Sept.	32,862	31,219		4	0	
Oct.	33,456	31,926		7	-5	
Nov.	29,666	30,049		-2	-1	
Dec.	29,188	31,335		9	8	

1/ First of the month, percent change from previous year.

Fractional increases are expected in the second and third quarters, with a slight decrease likely in the fourth quarter, as producers adjust to expected lower egg prices and returns after the first quarter.

The total flock size on April 1, 1991, 270.4 million hens, was almost 1 percent below a year earlier. The table-egg flock size, around 227 million hens, was nearly 2 percent smaller than a year earlier and over 1 percent smaller than on March 1, 1991. The hatching-egg flock was nearly 5 percent larger, and had a 6-percent increase in the broiler-type hatching flock but a 14-percent decline in the egg-type hatching flock.

Egg-Type Hatchery Supply Flock Decreasing

Estimates of the egg-type hatchery supply flock size are a longer term indicator of egg production plans and are repre-

Table 18--Force Moltings and Light-type hen slaughter

Month	Force molt layers 1/						Light-type hens slaughtered under Federal inspection		
	Being molted			Molt completed					
	1989 2/	1990 2/	1991 2/	1989 2/	1990 2/	1991 2/	1989	1990	1991
	---Percent---						---Thousands---		
January	4.1	3.0	3.0	23.9	21.5	19.6	12,219	11,500	10,974
February	4.9	5.5	4.2	21.5	20.9	18.5	11,819	9,942	9,956
March	4.3	4.1	3.5	21.7	21.7	18.5	13,645	11,586	10,168
April	3.9	1.9	3.1	21.5	22.0	19.3	10,528	13,622	
May	5.3	4.8		21.4	19.9		11,868	13,159	
June	5.6	4.3		21.7	20.0		10,316	11,805	
July	4.9	3.8		21.7	20.7		10,194	10,786	
August	4.0	4.0		22.7	20.6		10,871	11,487	
September	2.5	3.4		23.0	20.9		10,777	9,148	
October	4.3	3.7		22.9	21.0		10,249	10,550	
November	4.6	3.4		23.5	20.7		9,158	9,668	
December	2.7	2.7		23.9	20.9		11,294	9,294	

1/ Revisions include data from late reports or other corrections developed by the Food Safety and Inspection Service.
2/ Percent of hens and pullets of laying age in 15 selected States in 1989, 20 selected states in 1990 and later.

sented by the cumulative egg-type pullet chick placements 7-18 months earlier. Year-over-year changes in pullets placed in hatchery supply flocks fluctuated during 1990 and early 1991, indicating some variability in the projected supply flock numbers for 1991. The estimated hatchery supply flock from January through October 1991 averages 2-3 percent below last year's estimates, and for October it averages 7 percent below. Decreases in the hatchery supply flock estimates for 1991 were greater than last year beginning in June, reflecting producers' concerns that large production increases would likely depress prices.

Egg Prices Lower

Wholesale prices are expected to continue strong through 1991, but below 1990 levels as additional production is marketed. Prices are expected to average 74-80 cents for the year, compared with the record 82 cents of the past 2 years.

Easter buying and relatively stable egg supplies supported prices during the first quarter. New York wholesale prices for grade A, large eggs averaged 86 cents per dozen, compared with 88 cents last year. A sharp price break following Easter resulted in an April average of about 75 cents, 9 percent below last year. Prices continued to decline in early May. A similar post-Easter price slump occurred last year but prices soon strengthened on the basis of only moderate production growth. Second-quarter prices are expected to average 69-71 cents, compared with 75 cents a year earlier. Third-quarter prices are expected to rise slightly to 72-76 cents, but remain below last year.

Retail prices are expected to average in the low 90's in 1991, several cents below the high levels of around $1.00 during 1989 and 1990. The first-quarter average retail price of $1.05 is likely to be the peak for the year, compared to $1.13 last year.

Net Returns Continue Positive

Egg producers are enjoying a long period of sustained positive net returns. Returns have been positive since December 1988. Estimated net returns were near-record during the first quarter at 23 cents per dozen, only 1 cent lower than a year earlier. However, these returns are likely at their annual high. Second-quarter returns are estimated at 2-3 cents per dozen, compared with last year's 8-9 cents. Annual net returns will likely average 10-11 cents per dozen, compared with around 17 cents during 1990 and 15 cents during 1989.

Total Value of Egg Production Increases

The annual *Poultry—Production and Value* reports 5.65 billion dozen eggs produced during the 1989/90 marketing year (December 1989-November 1990), up almost 1 percent from the previous year. The total value of production increased around 5 percent to $4 billion, second only to 1984's $4.1 billion. The average price received increased 4 percent to 72 cents per dozen.

Use of Egg Products Expands

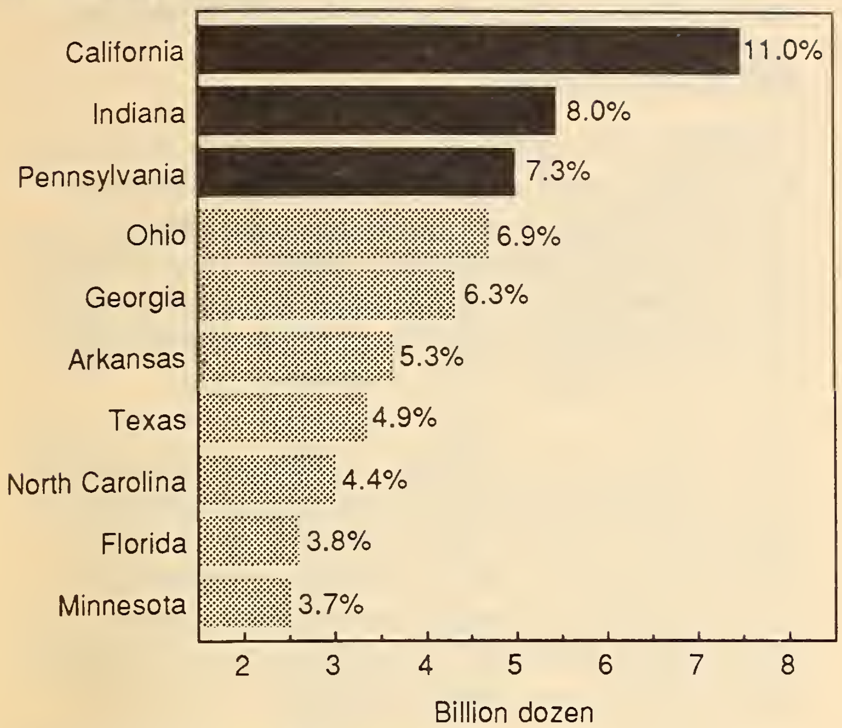
Egg use in the form of egg products is a significant and growing part of the egg industry. The varied forms of egg products facilitates many different uses of eggs and makes them more versatile than shell eggs. Also, the pasteurization given all egg products reduces concerns about bacterial contamination. Shell eggs used in egg products as a share of total consumption have increased from over 15 percent in 1985 to almost 21 percent in 1990. The use of eggs in egg products in 1990 was the equivalent of almost 49 shell eggs

Table 20--Egg prices and price spreads

Item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Avg.
							Cents/doz.						
Farm price 1/:													
1989	55.8	53.8	73.3	58.0	54.1	55.5	56.7	64.5	64.2	64.2	73.1	77.6	62.6
1990	78.8	63.1	73.1	64.2	51.2	54.2	46.6	58.2	61.6	66.5	66.2	70.3	62.8
1991	73.6	60.1	74.9	56.2									
New York (cartoned) Grade A, large 2/:													
1989	72.0	71.1	92.2	76.6	73.7	75.2	76.5	84.2	83.8	84.8	93.4	99.6	82.0
1990	92.4	79.6	91.5	82.4	67.9	73.6	70.9	80.3	82.2	86.5	86.5	92.5	82.2
1991	87.5	78.3	91.9	74.9									
4-Region average, Grade A, large retail price													
1989	94.1	89.0	103.1	99.7	95.6	93.7	96.1	98.3	103.8	102.3	108.0	113.7	99.8
1990	122.3	104.1	111.1	109.2	94.0	93.0	89.9	95.4	94.6	101.2	101.8	100.1	101.4
1991	110.6	98.7	106.9	100.2									
Price spreads retail-to-consumer:													
1989	18.2	18.6	10.2	23.1	21.2	17.2	18.3	12.1	16.7	16.0	12.3	12.7	16.4
1990	26.7	22.1	16.8	24.3	24.0	17.2	16.9	14.5	12.9	14.7	16.2	7.8	17.8
1991	19.0	19.3	13.1										
Consumer price index:							1982-84 = 100						
1989	112.0	106.1	122.9	117.6	112.6	110.6	112.8	115.2	124.6	122.9	129.4	134.9	118.5
1990	143.9	124.7	131.6	130.3	115.0	112.2	109.1	119.6	120.6	125.5	128.5	128.7	124.1
1991	139.8	125.4	133.1	124.8									

1/ Market (table) eggs including eggs sold retail by the producer. 2/ Price to volume buyers.

Figure 7
Leading Egg-Producing States in 1990



Other States produced 38.3 percent of the total.

Table 21--Eggs: Production and value 1/

Year	Avg. layers on hand during year	Produced: Per layer	Produced: Total	Price per dz	Value of Sales
	Thousands	Number	Millions	Cents	$1,000
1981	287,774	243	69,825	63.1	3,671,143
1982	286,369	244	69,718	59.5	3,458,873
1983	276,263	247	68,169	61.1	3,469,368
1984	278,022	245	68,222	72.3	4,110,438
1985	276,680	247	68,445	57.2	3,262,260
1986	276,255	248	69,106	61.5	3,543,295
1987	280,564	248	70,356	54.7	3,209,327
1988	277,729	250	69,655	52.8	3,066,739
1989	269,347	250	67,236	68.9	3,861,469
1990 2/	269,679	252	67,832	71.6	4,044,696

1/ Data reported on December-November marketing year. 2/ Preliminary

per capita, 21 percent of total per capita consumption. Shell eggs used in the production of liquid, frozen, and dried egg products in the first quarter of 1991 totaled 253 million dozen, up 5 percent from the previous year.

Egg Exports To Gain in 1991

U.S. egg exports are expected to increase about 10 percent this year, to around 112 million dozen. U.S. prices are expected to be the lowest since 1988, making egg exports more competitive. Also, Export Enhancement Program (EEP) sales are continuing to Hong Kong. In April, 5 million dozen table eggs were targeted for sale under EEP, over a 1-year period, to the United Arab Emirates (UAE), Bahrain, Kuwait, Oman, and Qatar. However, the non-EEP markets of Japan and Canada are expected to continue as the largest markets in 1991.

Table 22--Shell eggs broken and egg products produced under Federal inspection

Period	Shell eggs broken	Egg products produced 1/: Liquid	Frozen	Dried
	Thouand dozen	Thousand pounds		
1990:				
January	81,158	37,182	30,282	8,204
February	75,303	33,657	29,998	7,834
March	84,119	39,976	33,951	8,718
April	80,647	35,311	30,582	8,440
May	95,078	41,162	36,587	11,073
June	92,228	37,716	32,672	10,067
July	94,525	37,339	36,391	10,760
August	96,450	40,629	34,151	9,925
September	83,822	37,138	31,546	7,536
October	98,636	45,553	41,798	8,482
November	89,368	38,658	35,287	9,262
December	79,397	34,735	31,665	10,434
Total	1,050,731	459,056	404,910	110,735
1991:				
January	90,187	37,358	34,638	11,689
February	81,133	35,826	28,747	11,251
March	81,982	42,239	27,266	9,591

1/ Includes ingredients added. 2/ Liquid egg products produced for immediate consumption.

Table 23--U.S. egg exports to major importers 1/

Country or area	February	January-February 1990	January-February 1991
	Thousand dozen		
Japan	5,073	3,265	7,822
Canada	2,432	3,314	4,783
Hong Kong	3,001	1,418	4,657
Mexico	393	826	3,194
Germany	273	79	636
Jamaica	210	808	420
United Kingdom	120	155	266
Brazil	149	342	151
Haiti	47	196	115
Iraq	0	72	0
Other	775	1,693	1,552
Grand Total	12,474	12,169	23,595

1/ Shell, and shell equivalent of egg products.

Exports Increased in 1990

U.S. egg exports, including egg products, rose about 10 percent in 1990, to 100 million dozen, equal to nearly 2 percent of total production. Export value increased over 12 percent to $102 million with sharp increases to $30 million to Canada, where production declined, and to Hong Kong at $11 million, with EEP assistance. Exports were also higher to Japan at about $20 million, as egg product sales recovered, but dropped slightly to Mexico at $9 million, and fell sharply to the Middle East, at $5 million.

Hatching egg exports, at about 27 million dozen and worth $45 million, were little changed from a year earlier. Sales were, however, up to Canada, which took about 40 percent of the hatching eggs.

Table egg exports of 26 million dozen were also little changed in volume from 1989, but value was up 24 percent to $23 million, mainly due to large increases to Hong Kong and Canada.

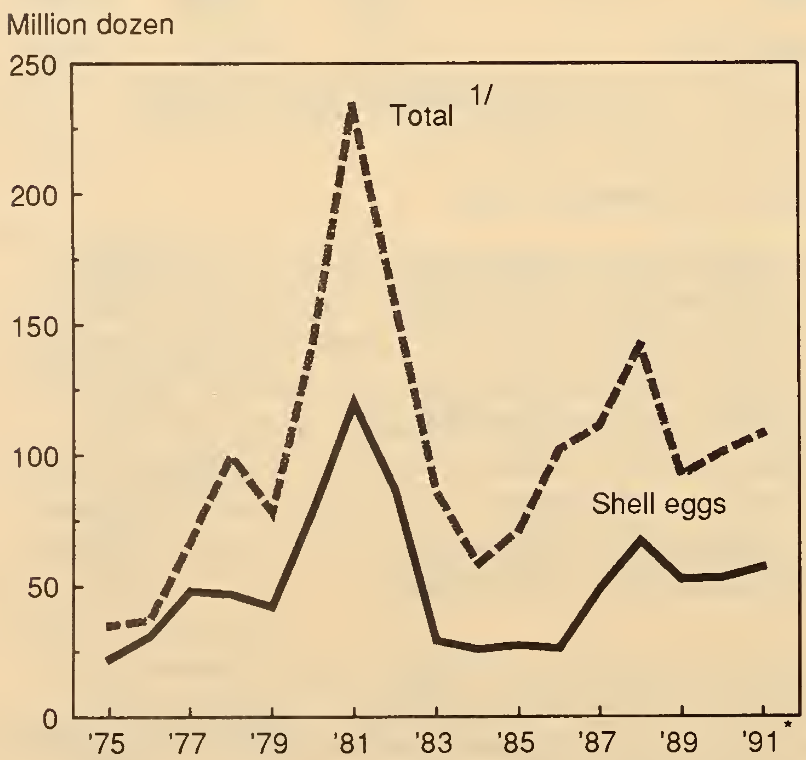
Egg product exports in 1990 rose 21 percent in volume to 47.5 million dozen shell equivalent, and 27 percent in value to $31 million. To Japan, value was up 23 percent, to $20 million, and to Canada, up 83 percent to $5 million.

The Export Enhancement Program (EEP) Boosts Egg Sales

Table egg exports under the EEP rose sharply in 1990 to 10.7 million dozen from only about 3 million dozen in 1989, when EEP sales were limited to Hong Kong. In 1990, Hong Kong took about 10 million dozen and the United Arab Emirates, 0.7 million dozen. No sales were made to the UAE after mid-August 1990. From October 1990 through late April of this year, EEP bonuses have averaged $0.16 per dozen. The average bonus in 1990 was $0.21 per dozen, compared with the overall average of $0.27 since the program for eggs began in 1986.

EEP sales of table eggs were initiated in 1986 to help U.S. exporters meet competition from subsidized exports, especially from the EC. Egg exports have declined after reaching a record 234 million dozen in 1981 worth $175 million. The 1981 exports included large sales to oil-exporting countries, particularly in the Middle East. By 1988 exports had recovered, and reached a recent high of 142 million dozen. This was due to increased sales of egg products to Japan, large sales of table eggs to the Middle East and to Hong Kong under the EEP, and substantial sales to Mexico as it liberalized imports that year to reduce food price inflation.

Figure 8
U.S. Egg Exports



1/ Includes shell equivalent of egg products.
* Projected.

Egg Imports Declining

Given lower U.S. egg prices, imports in 1991 will probably drop to about 4 million dozen shell equivalent, similar to 1987 and 1988. In 1990, egg and egg product imports dropped sharply to about 9 million dozen shell equivalent, from 25 million dozen in 1989. Shell egg imports dropped to about 8 million dozen as imported eggs for breaking became more expensive relative to domestic eggs.

While total egg imports dropped in 1990, hatching egg imports increased 10 percent and made up about 20 percent of the shell eggs imported. Canada supplied 84 percent, and the U.K., 12 percent. Most of the shell eggs other than for hatching came from Germany and Finland and a few from China. Higher prices for shell eggs from Germany and Finland contributed to the decline in imports.

Egg product imports dropped in 1990, to only 1 million dozen shell equivalent, and Canada supplied 82 percent. Average import unit values for products were up nearly 20 percent.

Livestock and Red Meats

Hogs

Farrow-to-finish hog producers' returns in first-quarter 1991 were favorable, continuing last year's trend. Returns are expected to remain positive into 1992 if expected costs and prices materialize. Total cash costs are expected to average around $40 and capital replacement costs about $6 per cwt. Producers should see higher profits as market barrow and gilt prices move up seasonally during the spring and summer from the $51.50 posted in the first quarter. However, prices are expected to drop below a year ago in the fourth quarter, but still be high enough to allow producers to realize continued positive returns.

The positive effect of profitability on production is tempered by an anticipated fourth-quarter drop in prices and risk of higher feed and input costs. Producers so far have broken away from historical patterns and are making only modest additions to their breeding herds. The March 1 *Hogs and Pigs* report indicated a year-to-year expansion of 1 percent in the U.S. breeding herd, the first since March 1989.

The aggregate number masks large differences among States. Iowa, with over one-quarter of the Nation's hogs, actually showed a 3-percent decrease in its breeding herd. States with at least a 5-percent year-to-year increase include Illinois, Indiana, Kansas, North Carolina, and Missouri.

Table 24--Hogs on farms, farrowings, and pig crops, United States

Inventory	1989	1990	1991	1990 / 1989	1991 / 1990
	1,000 head			Percent change	
March 1 inventory	52,965	51,150	52,360	-3	2
Breeding	7,081	6,806	6,882	-4	1
Market	45,884	44,344	45,478	-3	3
Under 60 lb	17,624	16,895	17,363	-4	3
60-119 lb	10,995	10,602	11,061	-4	4
120-179 lb	9,493	9,209	9,310	-3	1
180 + lb	7,772	7,638	7,744	-2	1
June 1 inventory	55,880	53,850		-4	
Breeding	7,315	7,075		-3	
Market	48,565	46,775		-4	
Under 60 lb	20,687	19,806		-4	
60-119 lb	12,090	11,718		-3	
120-179 lb	8,785	8,535		-3	
180 + lb	7,003	6,716		-4	
Sept. 1 inventory	.57,315	55,940		-2	
Breeding	6,832	6,815		-0	
Market	50,483	49,125		-3	
Under 60 lb	19,150	18,936		-1	
60-119 lb	12,502	12,218		-2	
120-179 lb	10,559	10,132		-4	
180 + lb	8,272	7,839		-5	
Dec. 1 inventory	53,821	54,362		1	
Breeding	6,862	6,852		-0	
Market	46,959	47,510		1	
under 60 lb	17,195	17,831		4	
60-119 lb	12,183	12,174		-0	
120-179 lb	9,673	9,619		-1	
180 + lb	7,908	7,886		-0	
Sows farrowing					
Dec. 1/-Feb.	2,723	2,600	2,665	-5	3
March-May	3,318	3,142	3,166 2/	-5	1
Dec. 1/-May	6,041	5,742	5,831 2/	-5	2
June-August	2,977	2,879	2,937 2/	-3	2
Sept.-Nov.	2,798	2,829		1	
June-Nov.	5,775	5,708		-1	
Pig crop					
Dec. 1/-Feb.	21,168	20,349	20,968	-4	3
March-May	26,070	24,958		-4	
Dec. 1/-May	47,238	45,307		-4	
June-August	23,192	22,737		-2	
Sept.-Nov.	21,644	22,122		2	
June-Nov.	44,836	44,859		0	
		Number			
Pigs per litter					
Dec. 1/-Feb.	7.77	7.83	7.87	1	1
March-May	7.86	7.94		1	
Dec. 1/-May	7.82	7.89		1	
June-Aug.	7.79	7.90		1	
Sept.-Nov.	7.74	7.82		1	
June-Nov.	7.76	7.86		1	

1/ December preceding year. 2/ Intentions

Table 25--Hogs on farms, farrowings, and pig crops, 10 States

Inventory	1989	1990	1991	1990 / 1989	1991 / 1990
	1,000 head			Percent change	
March 1 inventory	41,655	40,190	41,590	-4	3
Breeding	5,445	5,245	5,340	-4	2
Market	36,210	34,945	36,250	-3	4
Under 60 lb	13,865	13,289	13,740	-4	3
60-119 lb	8,678	8,335	8,795	-4	6
120-179 lb	7,545	7,338	7,550	-3	3
180 + lb	6,122	5,983	6,165	-2	3
June 1 inventory	44,020	42,630		-3	
Breeding	5,550	5,405		-3	
Market	38,470	37,225		-3	
Under 60 lb	16,315	15,680		-4	
60-119 lb	9,600	9,325		-3	
120-179 lb	6,995	6,845		-2	
180 + lb	5,560	5,375		-3	
Sept. 1 inventory	45,050	44,120		-2	
Breeding	5,320	5,300		-0	
Market	39,730	38,820		-2	
Under 60 lb	15,045	14,880		-1	
60-119 lb	9,845	9,580		-3	
120-179 lb	8,430	8,190		-3	
180 + lb	6,410	6,170		-4	
Dec. 1 inventory	42,200	42,800		1	
Breeding	5,275	5,242		-1	
Market	36,925	37,558		2	
under 60 lb	13,450	14,075		5	
60-119 lb	9,602	9,663		1	
120-179 lb	7,609	7,580		-0	
180 + lb	6,264	6,240		-0	
Sows farrowing					
Dec. 1/-Feb.	2,114	2,028	2,089	-4	3
March-May	2,585	2,458	2,500 2/	-5	2
Dec. 1/-May	4,699	4,486	4,589 2/	-5	2
June-August	2,309	2,236	2,300 2/	-3	3
Sept.-Nov.	2,195	2,233		2	
June-Nov.	4,504	4,469		-1	
Pig crop					
Dec. 1/-Feb.	16,481	15,870	16,455	-4	4
March-May	20,348	19,576		-4	
Dec. 1/-May	36,829	35,446		-4	
June-August	18,049	17,684		-2	
Sept.-Nov.	16,929	17,419		3	
June-Nov.	34,978	35,103		0	
		Number			
Pigs per litter					
Dec. 1/-Feb.	7.80	7.83	7.88	0	1
March-May	7.87	7.96		1	
Dec. 1/-May	7.84	7.90		1	
June-Aug.	7.82	7.91		1	
Sept.-Nov.	7.71	7.80		1	
June-Nov.	7.77	7.85		1	

1/ December preceding year. 2/ Intentions

States with at least a 5-percent decrease include Ohio, Michigan, Kentucky, Pennsylvania, and Tennessee.

The total inventory of hogs and pigs was up 2 percent, buoyed by a 3-percent rise in market hogs. At the same time, producers indicated a 1-percent increase in March-May farrowing intentions, whereas in December, a 2-percent decline was called for this period. Also, the December-February pig crop showed a 3-percent increase from last year being bolstered by continued improvement in the number of pigs per litter. These three factors—market hog inventory increases, greater realized farrowings than indicated earlier by intentions, and an increase in the December-February pig crop—underlie the projected rise in year-over-year slaughter numbers for the remainder of the year.

Commercial pork production in first-quarter 1991 totaled 3.9 billion pounds, about the same as in 1989 and 1990. The 3-pound gain in average dressed weights during the first quarter almost exactly offset the nearly 2-percent decline in the number of hogs slaughtered from a year ago. Slaughter numbers and average dressed weights are expected to track the normal seasonal pattern of dipping in the second quarter and

Table 26--Sow slaughter balance sheet, United States

Item	1989	1990	1991
		1,000 head	
December 1 breeding 1/	7,054	6,862	6,852
December-February			
Comm. sow slaughter	956	934	873
Gilts added	983	878	903
March 1 breeding	7,081	6,806	6,882
March-May			
Comm. sow slaughter	975	887	
Gilts added	1,209	1,156	
June 1 breeding	7,315	7,075	
June-August			
Comm. sow slaughter	1,192	1,054	
Gilts added	709	794	
September 1 breeding	6,832	6,815	
September-November			
Comm. sow slaughter	1,105	970	
Gilts added	1,135	1,007	

1/ December previous year.

Table 27--Commercial hog slaughter 1/ and production

Year	Barrows & gilts	Sows	Boars & Stags	Total	Dressed wt.	Comm'l-prod.
	------- 1,000 hd.		-------		lb.	Mil lb.
1987						
I	19,007	763	170	19,940	178	3,540
II	17,877	846	189	18,912	176	3,327
III	18,199	1,010	187	19,396	174	3,383
IV	21,776	888	170	22,834	178	4,061
Year	76,859	3,507	716	81,082	177	14,311
1988						
I	20,282	889	189	21,360	177	3,790
II	19,736	941	200	20,877	179	3,727
III	19,967	1,182	228	21,377	177	3,775
IV	22,932	1,053	195	24,180	179	4,331
Year	82,917	4,065	812	87,794	178	15,623
1989						
I	20,739	942	195	21,876	178	3,885
II	20,687	1,038	219	21,944	179	3,929
III	20,180	1,178	209	21,567	176	3,790
IV	22,047	1,069	188	23,304	178	4,155
Year	83,653	4,227	811	88,691	178	15,759
1990						
I	20,789	887	208	21,884	178	3,905
II	19,109	934	221	20,264	180	3,647
III	19,102	1,030	213	20,345	179	3,641
IV	21,507	953	185	22,645	181	4,107
Year	80,507	3,804	827	85,138	180	15,300
1991						
I	20,465	845	198	21,508	181	3,901

1/ Classes estimated.

picking up in the fourth quarter. However, seasonal swings in dressed weights are expected to be moderate in 1991.

The brunt of the increase in slaughter numbers is expected in the fall with a nearly 10-percent quarter-to-quarter rise—not uncommonly large for a seasonal jump. With higher average weights, the larger fourth-quarter slaughter could translate into nearly a 12-percent seasonal rise in pork production. Fourth-quarter retail prices are expected to drop 8 to 10 percent from a year earlier, but average for the entire year about the same as 1990's $2.13 per pound.

First-Quarter Recap

Much of the delay in herd expansion registered in the March *Hogs and Pigs* report can be traced to a host of reasons coming into 1991. Some of these reasons are found within the pork subsector, some cut across all the red meat and food industries, and others are found in the general economy. Specific to the pork subsector, structural changes registered by the roughly 60-percent cut in the number of hog operations since 1980 are probably fresh on many producers' and lenders' minds.

Many of the remaining producers are apparently concentrating their resources to enhance their present set of facilities and using current profits to improve their financial situation. They probably also perceive the expected large supplies of red meat and poultry in the near future and are apprehensive in making the needed investment to significantly expand pork output. Other concerns include uncertainty about when the current recession will end and developments in Eastern Europe.

Second-Quarter Production Starts Strong

As April came to a close, higher weekly slaughter brought 1991 cumulative totals up to 1990 levels. Cumulative slaughter numbers were 1.7 percent below a year ago going into April, but had shrunk to only 0.3 percent lower by the start of May. Still, the heavier average live and dressed weights more than compensated for the lower slaughter numbers and by mid-April pushed 1991 pork production over the year-ago level for the first time. The increased marketings, along with moderate demand, caused hog prices to slide more than $1 per cwt during the first 2 weeks in April.

But by mid-May, weekly average barrow and gilt prices per cwt at the seven markets had climbed to the mid-$50's, up from the low $50's in March. This price increase conforms more with the typical seasonal price pattern that is expected for the remainder of 1991. Prices are expected to average in the mid-$50's this spring and summer and then drop to near $50 in the fall.

Retail Prices Tracking Seasonal Trends, But at Higher Plateau

Retail pork prices led all food items in year-to-year price advances in 1990 with a whopping 16-percent increase. From this high level, average retail pork prices have receded every month since December 1990, but were still 9-10 percent above first-quarter levels a year earlier. From the record $2.23 per pound composite price set last summer and fall, first-quarter 1991 retail prices fell to $2.15.

Retail prices are expected to slide marginally in the second quarter and exhibit the seasonal third-quarter surge—but only enough to make up for the second-quarter slide. By the fourth quarter, when slaughter is expected to show a quarter-to-quarter jump of over 10 percent, retail prices can be expected to slide 3-4 percent from the third quarter. Even

though nearly 8 percent lower than a year ago, this low fourth-quarter price still would allow the 1991 retail price to average about the same as in 1990.

Farm-Retail Marketing Margins Expected To Remain High

Farm-retail price spreads hit new highs in 1990 that have continued into 1991. Last year, spreads differed from past patterns in that they climbed higher through most of the year. Historically, the spreads vary seasonally—being widest in the fall as hog prices recede and smallest in the summer as hog prices climb seasonally while retail pork prices are held in check by prices of competing meats.

From mid-1990 on, the spreads simply grew wider. First-quarter 1991's spread was still 13.7 percent higher than a year ago. Similarly, the second-quarter spread is expected to be higher than in second-quarter 1990. Only in the latter quarters are spreads expected to be smaller than a year ago. Due to the higher spreads in the first half of 1991, the average spread for all of 1991 should top the 1990 record by 1-2 percent.

Net Add-Ins to Frozen Pork Holdings

End-of-quarter frozen pork holdings in 1991 are expected to be higher than in 1990—not surprising given the low carryovers and the record-high retail prices in 1990. For example, holdings of pork trimmings coming into 1991 approached the lowest levels since 1966. Total stocks were almost 15 percent lower than a year earlier.

Stock holdings—especially bellies, spareribs, and "other frozen products"—posted large net-in's during the first quarter in 1991. Still, end-of-quarter stocks are expected to stay below historical levels throughout 1991. Some incentives to replenish low stocks will exist as prices moderate during the year. However, the prospect of greater pork supplies in the future will detract from increasing stored product. At this time, frozen pork holdings going into 1992 are forecast to be 20 percent higher than at the same time last year. This would still be substantially below historical carryover levels.

Pork Trade

U.S. Pork and Hog Imports Continue To Slide

U.S. imports of pork and hogs continued to decline in the first 2 months of 1991. Pork imports equaled 118 million pounds in January and February, 8 percent below 1990. Although imports from most East European countries have increased, imports from Poland have continued to decline. Imports from Canada are about 9 percent below 1990 and those from Denmark are less than 2 percent higher. However, as production in those countries increases later in the year, 1991 imports could rise to about 920 million pounds.

Table 28--U.S. pork trade, carcass weight 1/

Country or area	Annual 1990	January - February 1990	1991	Percent change
	Million pounds			Percent
Imports				
Canada	437.1	65.7	59.9	-8.9
Denmark	273.2	36.7	37.3	1.8
Poland	66.6	10.6	3.6	-65.9
Hungary	33.1	3.9	5.7	46.4
Other	87.8	12.3	11.8	-3.7
Total	897.9	129.2	118.4	-8.4
Exports				
Japan	125.5	22.2	19.8	-10.9
Canada	22.8	2.6	4.5	73.7
Mexico	38.3	8.5	13.9	64.8
Caribbean	15.0	1.9	2.1	10.8
Other	36.9	11.0	5.1	-53.5
Total	238.4	46.1	45.4	-1.5

Table 29--U.S. live hogs trade 1/

Country	Annual 1990	January - February 1990	1991	Percent change
	1,000 head			Percent
Imports				
Canada	682.1	181.2	128.5	-29.1
(Under 110 lb)	204.2	28.9	31.5	9.2
Total	890.3	210.1	160.0	-23.8
Exports				
Mexico	42.0	22.2	39.4	77.6
Other	14.7	1.2	1.5	26.2
Total	56.7	23.3	40.8	75.1

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Imports from most East European countries are recovering from their 1990 slumps. Imports from Hungary increased 46 percent, while those from Yugoslavia were up 19 percent. This makes those countries the third and fourth major sources for imported U.S. pork. Imports from Poland, however, have continued the dramatic decline begun in the second half of 1989. After declining more than 40 percent in 1990, imports in the first 2 months of 1991 were 66 percent lower than a year earlier. This decline is rather surprising considering the reports of ample supplies of non-corn feeds and increasing pork supplies and considering Poland's hard currency needs.

Imports of Danish pork have begun to increase as a more favorable exchange rate and increasing EC inventories made the United States a more attractive market. However, while frozen pork imports more than doubled, a fire at a major canning plant severely limited the availability of Danish canned hams. As a result, pork imports from Denmark were only 2 percent above 1990. This could increase later in the year as production capacity is restored and if the dollar-krone exchange rate remains favorable.

Imports of Canadian pork and hogs in January-February declined 8 and 24 percent, respectively. Agriculture Canada in-

dicates total Canadian hog numbers on all Canadian farms on January 1, 1991, have continued to decline. However, numbers in Western Canada have stabilized. The decline is mirrored by reduced slaughter. Agriculture Canada reports that slaughter at federally inspected plants fell 5 percent in 1990 and was 7.4 percent below a year earlier in the first quarter of 1991. East Canadian slaughter was 9 percent below a year ago. West Canadian slaughter was down only 4 percent.

Although Canadian pork production is expected to continue to decline through the first half of the year, producers' farrowing intentions are reported to be 5 percent higher during that period. The increased number of available slaughter animals in the second half could increase production later in the year. However, overall production for 1991 is expected to be slightly below last year.

Despite declining imports of Canadian slaughter hogs, imports of feeder pigs have continued to increase. Imports of pigs weighing less than 50 kilograms increased 9 percent.

The mix of hogs and pork exported to the United States will depend upon any changes in the countervailing duties on pork and hogs. In March, the U.S. Department of Commerce announced that the subsidies paid to producers between the second quarter of 1986 and the first quarter of 1988 were *de minimis* (below the minimum for injury). Therefore, producers will receive refunds on duty deposits paid in during the review period and there will no duty deposit on live swine currently entering the country. This will remain in effect until publication of the final results of the next review. Although the Commerce Department has announced that, based on payments made between the second quarter of 1988 and the first quarter of 1990, the preliminary calculation of the next duty deposit could be Can$5.48 per cwt, it likely will be several months before this duty is imposed.

Pork Duty Under "Extraordinary Challenge"

The countervailing duty on pork remains in force although it has been overturned by the U.S. International Trade Commission (USITC) on remand from the Binational Dispute Settlement Panel. Following complaints by the USITC that they had been forced to override their previous decisions by the Panel, the National Pork Producers Council (NPPC) requested an "extraordinary challenge" to the Panel's decision.

This challenge is the first of its kind in the history of the U.S.-Canadian Free Trade Agreement and findings could have broad-reaching implications. The NPPC has charged that the Panel exceeded its authority by essentially instructing the USITC to view the case in such a manner that it felt obligated to overturn its previous findings. The Canadians have countered that the Panel did not exceed its authority and that the United States is using the extraordinary challenge procedure for political purposes.

The challenge panel is comprised of three judges, one chosen by each nation and one chosen by lot. The panel was expected to release its findings in mid-May but has announced that it will delay them until June 14.

Mexico Boosts Imports of U.S. Pork

Despite a 2-percent decline in U.S. pork exports during January and February, the United States increased its exports to Mexico for the fourth consecutive month. During the first 2 months of the year, exports to Mexico were almost 65 percent higher than in 1990. Exports to Japan, however, declined and are currently 11 percent below a year ago. Another factor explaining the decline in U.S. exports is the one-time shipment of pork bellies to Poland in the first part of 1990.

Overall, U.S. pork exports are expected to increase but could slow in the latter part of the year, especially if Mexico reduces its pork imports. Exports for the year could rise 6 percent from 1990 to about 255 million pounds.

Cattle

Spring Grazing Prospects Favorable in Most Areas

Late winter-early spring rains may create spring planting problems, but provide very favorable moisture conditions in most areas for pasture and range development. Pasture and range feed conditions on May 1 averaged 79 percent, up 4 points from a year ago and 2 points above the 1980-89 average for this date. All States bordering and east of the Mississippi River reported pasture and range conditions in the good to excellent range. Most of the western States had conditions in the poor-to-fair or good-to-excellent range. The exceptions in this region were California, New Mexico, and North Dakota with conditions in the very poor range.

Conditions in much of the West improved dramatically in late winter. Many western States received above- to well-above average moisture for March following a succession of months with below average precipitation. Moisture conditions continued well above average in April. However, water supply prospects for the spring and summer, although improved from March, remain below- to well-below average for most western States.

Hay stocks on May 1 were about unchanged from a year ago, but 55 percent above the low level recorded in 1989, following the small, drought-reduced hay crop in 1988. The December-May stock reduction was 5 percent above a year earlier, reflecting dry conditions in the West and increased use due to severe storms in early- to mid-winter. Farmers

Table 30--Hay acreage, production, and stocks

Item	1989	1990	1991	1991 / 1990
	1,000 acres			Percent
Acreage harvested	63,300	61,557	61,408 1/	0
Yield/acre	2.30	2.39	2.41 2/	1
	1,000 tons			
Production	145,512	146,985	148,000 2/	1
Stocks on farms				
May 1	17,507	27,089	27,056	0
December 1	101,194	104,993		
Production + May 1 stocks	163,019	174,074	175,056 2/	1

1/ Preliminary. 2/ Estimated.

and ranchers indicated intentions in March to harvest hay from 61.4 million acres, about unchanged from last year.

Producers have rebuilt hay stocks and apparently are reducing hay acreage to early 1980's levels. Additional reserves are insured by provisions of the 1985 farm act that were continued in the 1990 act. The provisions allow grazing on Conserving Use and Acreage Conservation Reserve acreages, with adequate cover, during the 7 nongrazing (nongrowing) months. In addition, in drought-declared areas, grazing has been allowed on these acreages during the 5 nongrazing months and also on the long-term Conservation Reserve acreage with adequate cover. A cattle inventory below 100 million head, the broadened forage base, and rebuilt hay stocks have reduced the need for larger hay acreage.

The more ample hay supply is reflected in lower prices. In April, the farm price of hay averaged $88.60 per ton, well below the $95 average a year ago. Largest year-to-year declines occurred for alfalfa hay, down nearly $10 a ton from April 1990.

Yearling Feeder Cattle Supplies Remain Above a Year Earlier

The total supply of feeder cattle outside feedlots on April 1 remains slightly above a year earlier. Net feedlot placements in October through March were 1 percent below a year earlier. Wheat grazing prospects deteriorated almost from the time cattle were placed on pasture in the High Plains last fall, forcing 2 percent more cattle into feedlots in the fourth quarter. First-quarter placements declined 5 percent from a year earlier. Even though marginally larger, feeder cattle supplies remain near the lowest since the April 1 Feeder Cattle Supply series began in 1973. The supply of yearling cattle weighing over 500 pounds outside feedlots increased 6 percent, even as the number of cattle on feed in this weight group rose nearly 8 percent above a year ago. This series continues to reflect the heavier weaning weights of calves and the larger proportion of the total supply in the over-500-pound weight category.

Table 31--April 1 feeder cattle supply

Item	1988	1989	1990	1991	1991/90
	1,000 head				Percent change
Calves less than 500 lb					
on farms Jan. 1	21,008	19,899	19,031	18,720	-1.6
Slaughter Jan-Mar.	647	583	497	402	-19.2
On feed Apr. 1 1/	319	255	292	298	2.1
Total	20,042	19,061	18,242	18,020	-1.2
Steers & heifers 500 + lb 2/					
On farms Jan. 1	23,573	23,100	23,939	24,931	4.1
Slaughter Jan.-Mar.	6,902	6,487	6,428	6,224	-3.2
On feed Apr. 1 1/	11,017	11,408	11,400	12,253	7.5
Total	5,654	5,205	6,111	6,454	5.6
Total Supply	25,696	24,266	24,353	24,474	0.5

1/ Estimated U.S. steers and heifers. 2/ Not including heifers for cow replacement.

Table 32--Commercial calf slaughter and production

Year	Slaughter	Dressed weight	Production
	1,000 head	Pounds	Million pounds
1986			
I	874	148	129
II	836	154	129
III	859	150	129
IV	840	145	122
Year	3,409	149	509
1987			
I	761	148	113
II	651	155	101
III	684	143	98
IV	720	144	104
Year	2,816	148	416
1988			
I	647	150	97
II	568	162	92
III	665	149	99
IV	627	158	99
Year	2,507	154	387
1989			
I	584	156	91
II	488	174	85
III	548	153	84
IV	552	152	84
Year	2,172	158	344
1990			
I	497	159	79
II	407	177	72
III	430	184	79
IV	456	189	86
Year	1,790	177	316
1991			
I	402	206	83

A nearly 20-percent decline in first-quarter calf slaughter about offset a 2-percent decline in the number of calves in inventory on January 1 and a 2-percent increase in calves on feed on April 1. The supply of calves for grazing and feedlot placement later in the year also is being augmented by continued large numbers of feeder cattle imports. Imports through February were 9 percent above the record pace of 1990. Record U.S. stocker-feeder cattle prices and an opening up of the North America market are expected to maintain feeder cattle imports near to above last year's record.

Table 33--Calf slaughter by class under Federal inspection

Year	Bob veal 150 lb & below	Fed Formula 150-400 lb	Fed Nonformula 150-400 lb	Other over 400 lb	Total
			1,000 head		
1987	1,207.8	1,002.7	171.4	297.5	2,679.4
1988	1,065.9	1,003.3	155.9	185.1	2,410.2
1989	898.2	933.8	112.4	192.8	2,137.2
1990					
Jan.	73.4	77.5	12.1	11.8	174.8
Feb.	58.0	66.1	8.1	12.9	145.1
Mar.	66.4	79.6	8.1	11.0	165.1
Apr.	42.8	67.3	8.2	9.4	127.7
May	38.9	81.7	7.3	8.9	136.8
June	41.4	69.1	9.9	11.2	131.6
July	53.7	69.0	6.5	9.5	138.7
Aug.	56.6	68.8	9.0	12.5	146.9
Sept.	51.5	60.4	7.2	13.2	132.3
Oct.	57.0	77.3	9.3	14.1	157.7
Nov.	59.5	71.3	7.6	10.7	149.1
Dec.	57.4	63.2	5.9	10.2	136.7
Year	656.6	851.3	99.2	135.4	1,742.5
1991					
Jan.	53.6	80.3	6.9	9.9	150.7
Feb.	40.3	67.5	4.6	9.0	121.4
Mar.	38.5	69.5	4.6	7.5	120.1

First-Quarter Slaughter Breakout Emphasizes Data Weaknesses

Commercial cattle slaughter, particularly fed cattle slaughter, was below earlier expectations and 3 percent below first-quarter 1990 levels. Even so, the residual "nonfed" steer and heifer slaughter (after expanding the 13-State fed cattle marketings to a U.S. estimate) was a negative 11,000 head.

The series of cattle slaughter data has been further obfuscated by increased U.S. live cattle trade with Canada and to a lesser extent, Mexico. The new Harmonized Trade Codes do not provide an adequate breakout between slaughter, particularly fed slaughter, and nonslaughter classes. In January-February 109,000 head of cattle weighing over 705 pounds (320+ kilograms) were imported from Canada. This class includes heavier feeder cattle, as well as fed steers and heifers, cows, and bulls for immediate slaughter.

Consequently, the "Commercial Slaughter and Production" breakout series must be used with increased caution. A joint study with the Market Outlook and Analysis Division of the Policy Branch, Agriculture Canada, is being discussed to develop a common cattle slaughter trade series for both countries using additional data to further refine the aggregate Harmonized Trade Code Series. Live cattle trade with Mexico is also increasing, but at this time most of the trade is breeding cattle shipped to Mexico and feeder cattle imported from Mexico. A similar refinement of the data with Mexico will also likely be discussed.

First-quarter 1991 commercial beef production declined only 2 percent as dressed weights averaged 685 pounds, up from the year-earlier record of 679 pounds. Cow slaughter declined 3 percent from the lower level of last year. Beef cow slaughter was down 8 percent, while dairy cow slaughter rose 2 percent. The lower cow slaughter and higher proportion of dairy cows in the mix also added to the record dressed weights.

Overall, fed cattle marketings remain very current, with the number of cattle grading Choice in tight supply in early May. Supplies of Choice grade cattle are expected to increase through summer, and weights will continue heavy. Present feeding technologies and genetic changes, along with an increased concern over fat trim, are resulting in fed cattle being slaughtered at heavier weights with reduced overfinish problems. The larger proportion of calves placed on feed would typically suggest increased feedlot marketings at somewhat lighter weights. However, heavier slaughter

Table 34--Commercial cattle slaughter 1/ and production

Year	Steers and heifers Fed	Steers and heifers Nonfed	Steers and heifers Total	Total Cows	Bulls and stags	Total	Dressed weight	Commercial production
	1,000 head						Pounds	Million pounds
1988								
I	6,621	281	6,902	1,528	151	8,581	664	5,700
II	6,777	314	7,091	1,505	164	8,760	660	5,784
III	7,209	248	7,457	1,576	167	9,200	672	6,185
IV	6,192	457	6,649	1,729	162	8,540	674	5,755
Year	26,799	1,300	28,099	6,338	644	35,081	668	23,424
1989								
I	6,390	97	6,487	1,550	144	8,181	676	5,530
II	6,959	27	6,986	1,541	166	8,693	665	5,777
III	6,785	195	6,980	1,460	175	8,615	684	5,893
IV	6,055	437	6,492	1,765	172	8,429	685	5,774
Year	26,189	756	26,945	6,316	657	33,918	677	22,974
1990								
I	6,302	126	6,428	1,535	152	8,115	679	5,508
II	6,873	125	6,998	1,387	163	8,548	671	5,736
III	6,611	308	6,919	1,372	170	8,461	688	5,823
IV	5,944	388	6,332	1,626	159	8,117	686	5,567
Year	25,730	947	26,677	5,920	644	33,241	681	22,634
1991								
I	6,235	(11)	6,224	1,489	145	7,858	685	5,382

1/ Classes estimated.

Table 35--13-States cattle on feed, placements, marketings, and other disappearance

Year	On feed 1/	Percent change 2/	Place- ments	Percent change 2/	Fed mar- ketings	Percent change 2/	Other dis- apperance	Percent change 2/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1988								
I	10,114	5.9	5,824	2.7	5,853	1.8	390	3.7
II	9,695	6.5	5,913	-0.4	5,879	4.1	423	-1.2
III	9,306	3.9	6,031	-9.3	6,261	2.9	225	-7.0
IV	8,851	-4.7	6,655	-2.4	5,466	-3.2	352	2.6
Year	---	---	24,423	-2.6	23,459	1.4	1,390	0.1
1989								
I	9,688	-4.2	6,232	7.0	5,658	-3.3	344	-11.8
II	9,918	2.3	5,212	-11.9	6,040	2.7	410	-3.1
III	8,680	-6.7	5,719	-5.2	5,896	-5.8	227	0.9
IV	8,276	-6.5	7,306	9.8	5,346	-2.2	293	-16.8
Year	---	---	24,469	0.2	22,940	-2.2	1,274	-8.3
1990								
I	9,943	2.6	6,083	-2.4	5,578	-1.4	385	11.9
II	10,063	1.5	5,086	-2.4	5,988	-0.9	400	-2.4
III	8,761	0.9	6,333	10.7	5,741	-2.6	261	15.0
IV	9,092	9.9	7,486	2.5	5,254	-1.7	347	18.4
Year	---	---	24,988	2.1	22,561	-1.7	1,393	9.3
1991								
I	10,977	10.4	5,892	-3.1	5,538	-0.7	462	20.0
II	10,869	8.0			6,375 3/	6.5		

1/ Beginning of quarter. 2/ Percent change from previous year. 3/ Expected marketings.

weights suggest that these cattle are remaining on feed longer and are still not producing a higher proportion of Choice grade cattle.

April 1 Cattle on Feed Largest Since 1973

The number of cattle on feed in the 13 quarterly reporting States was 8 percent above a year ago and the highest since 1973. Steers and heifers in the heaviest weight groups—those weighing 1,100 pounds and over—were up 31 percent and 53 percent, respectively, from a year earlier. Steers and heifers weighing 900-1,099 pounds were up 10 percent and 12 percent. The inventory of cattle on feed in all weight groups has been 8 to 10 percent above a year earlier since last October.

Table 36--Cattle on feed, placements, and marketings, 13 States

Item	1989	1990	1991	1991/90
		1,000 head		Percent change
On feed January 1	9,688	9,943	10,977	10
Placements, Jan.-Mar.	6,232	6,083	5,892	-3
Marketings, Jan.-Mar.	5,658	5,578	5,538	-1
Other disappearance, Jan.-Mar.	344	385	462	20
On feed April 1				
Steers & steer calves				
-500 lb	152	171	177	4
500-699 lb	753	770	793	3
700-899 lb	2,516	2,511	2,716	8
900-1,099 lb	2,329	2,389	2,638	10
1,100 + lb	592	597	785	31
Heifers & heifer calves				
-500 lb	64	79	80	1
500-699 lb	720	717	713	-1
700-899 lb	1,787	1,802	1,803	0
900 + lb	964	964	1,108	15
900-1,099	875	885	987	12
1,100 + lb	89	79	121	53
Cows	41	63	56	-11
Marketings, Apr.-June	6,040	5,988	6,375 1/	6

1/ Expected.

Winter-quarter net placements were 5.430 million head, off nearly 5 percent from last year's record but the fourth largest since 1970. Marketings during the winter quarter were off 1 percent and well below the marketing intentions in the January *Cattle on Feed* report for the quarter, which were up 3 percent. Marketing intentions for the spring quarter are record large at 6.375 million head, up 6 percent from last year. They likely will not be filled. Continued modest cattle slaughter through mid-May suggests marketings may rise only 1-3 percent. Clearly, the large cattle on feed inventory is expected to support expanding fed marketings.

Lower Cattle Prices Expected as Slaughter Expands

Nebraska direct fed steer prices during the winter quarter averaged $80 per cwt, up about $1.50 from a year earlier. Prices averaged $81 in April. Expanding fed cattle marketings are expected to pressure prices in coming months.

Spring-quarter steer prices could average in the upper $70's, about $1 below the winter quarter. Fed steer prices are expected to decline to the mid-$70's—their lows for the year—during the late spring through mid-summer.
Summer-quarter prices may average about $77, unchanged from a year earlier. Prices are expected to firm in the fall

quarter and average around $80 as beef supplies decline seasonally. For all of 1991, fed steer prices are expected to be about unchanged from last year's record near $79 per cwt.

Low Supplies Support Feeder Cattle Prices

Feeder cattle prices are expected to remain higher than last year due to tight supplies and aggressive competition between pasture-stocker and feedlot demand for placements. Prices for 600- to 700-pound feeder steers, medium frame, Number 1 at Oklahoma City averaged about $95 per cwt for the winter quarter, up nearly 10 percent from a year ago. Prices are expected to continue to average in the low- to mid-$90's for the rest of the year.

Given the greater value for fed cattle and relatively low costs of gain, the majority of steers and heifers will continue to be drawn into feedlot programs to be marketed as fed cattle, resulting in very small numbers of "nonfed steers and heifers." Ample forage supplies in most areas this year will likely keep more lighter weight stocker cattle on forage, resulting in heavier weights before being placed into feedlots compared with last year.

Prices for Boning Utility grade cows at Sioux Falls, S.D., averaged near $51 per cwt for the winter quarter, about 5 percent below a year ago. Lower milk/feed price ratios have resulted in larger dairy cow slaughter and are seen as the principal factor pressuring cow prices. Prices are expect to firm to the mid-$50's for the spring and summer quarters. Seasonally expanding cow slaughter for the fall quarter is expected to pressure prices to the low $50's. Continued favorable returns above cash costs for cow-calf operators this year are expected to support a further expansion in the beef cow herd and to hold beef cow slaughter at reduced levels throughout 1991.

Record Choice Retail Beef Prices

Retail Choice beef prices were record high for the winter quarter, averaging $2.94 per pound, compared with $2.72 a year earlier. Prices likely peaked at $2.97 in April as expanding fed beef supplies are expected to induce retailers to reduce prices and expand specialing of beef. Choice beef prices are forecast to move below $2.90 per pound during the spring quarter and into the mid-$2.80's for the last half of 1991. Expanding pork production and continued large poultry supplies are expected to provide strong competition for the increasing beef supplies in retail stores and in institutional trade.

U.S. Beef and Cattle Trade

U.S. Beef and Veal Exports To Rise Slowly

Exports of beef and veal in 1991 are likely to grow slowly. U.S. exports to Japan may decline slightly with the new phase of liberalized beef trade that began on April 1, 1991. But exports to Canada, South Korea, and Mexico likely will increase and more than offset Japan's decline.

7-States cattle on feed, placements, and marketings

Year	On feed	Percent change 1/	Net placements	Percent change 1/	Marketings	Percent change 1/	Other disappearance	Percent change 1/
	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent	1,000 head	Percent
1989								
Jan.	8,045	-4.4	1,602	2.9	1,677	-4.9	104	-1.9
Feb.	7,970	-2.9	1,495	19.3	1,534	-0.7	115	-8.7
Mar.	7,931	0.2	1,900	9.4	1,579	-0.9	75	-32.4
Apr.	8,252	2.4	1,415	2.4	1,580	-1.8	124	-10.8
May	8,087	3.3	1,460	-28.0	1,752	1.6	164	12.3
June	7,795	-4.2	1,231	-6.7	1,791	4.3	62	-8.8
July	7,235	-6.5	1,228	3.3	1,700	-4.8	63	1.6
Aug.	6,763	-5.3	1,562	-2.0	1,694	-5.4	76	15.2
Sept.	6,631	-4.5	1,906	-11.0	1,579	-6.1	47	-29.9
Oct.	6,958	-6.0	2,581	9.1	1,628	3.3	71	-15.5
Nov.	7,911	-3.5	1,910	21.0	1,490	-1.8	91	-18.8
Dec.	8,331	0.9	1,450	11.0	1,403	-7.5	87	-24.3
1990								
Jan.	8,378	4.1	1,792	11.9	1,644	-2.0	114	9.6
Feb.	8,526	7.0	1,293	-13.5	1,500	-2.2	95	-17.4
Mar.	8,319	4.9	1,782	-6.2	1,618	2.5	120	60.0
Apr.	8,483	2.8	1,252	-11.5	1,554	-1.6	125	0.8
May	8,181	1.2	1,462	0.1	1,776	1.4	150	-8.5
June	7,867	0.9	1,262	2.5	1,819	1.6	73	17.7
July	7,310	1.0	1,443	17.5	1,750	2.9	77	22.2
Aug.	7,003	3.5	1,653	5.8	1,666	-1.7	82	7.9
Sept.	6,990	5.4	2,125	11.5	1,445	-8.5	79	68.1
Oct.	7,670	10.2	2,664	3.2	1,605	-1.4	87	22.5
Nov.	8,729	10.3	1,912	0.1	1,512	1.5	95	4.4
Dec.	9,129	9.6	1,357	-6.4	1,349	-3.8	121	39.1
1991								
Jan.	9,137	9.1	1,673	-6.6	1,707	3.8	118	3.5
Feb.	9,103	6.8	1,352	4.6	1,481	-1.3	113	18.9
Mar.	8,974	7.9	1,636	-8.2	1,554	-4.0	137	14.2
Apr.	9,056	6.8						

1/ Percent change is from previous year.

U.S. Share of Japanese Beef Trade Has Expanded

In accord with the U.S.-Japan Beef and Citrus Agreement, the ad valorem import tariff was increased from 25 to 70 percent and Japan's Livestock Industry Promotion Corporation (LIPC) ceased regulating imports or collecting a surcharge on beef imports on April 1, 1991. The present 70-percent tariff is approximately equal to the LIPC surcharge plus the previous 25-percent tariff. The present tariff is scheduled to be reduced to 60 percent in 1992 and 50 percent in 1993.

Japan's beef quota was also removed beginning April 1, 1991. The United States accounted for some 45 percent of this quota last year, with Australia at about 50 percent. The United States has been able to increase its share of Japanese imports since the gradual liberalization of the beef market began 3 years ago.

In 1989, the second year of the agreement, Japanese imports exceeded the quota amount. Last year, Japanese imports declined but fulfilled the agreed-to level of 394,000 metric tons. The Japanese wholesale price of beef declined while the retail price did not, causing frozen beef stocks to increase. The LIPC will no longer hold beef stocks as a measure to regulate Japan's beef prices and will slowly release its frozen stocks onto the market to minimize market disruptions.

About 75 percent of the U.S. beef exported to Japan last year was frozen. But, fresh meat is the preferred product. U.S. exports to Japan could decline at the beginning of the liberalization period as the expanded frozen beef stocks are drawn down and the market adjusts to the new trading regulations.

U.S. Beef and Veal Imports To Decline

U.S. beef and veal imports are expected to decline about 4 percent in 1991. The 1991 trigger level for meat under the Meat Import Law is 1,318.5 million pounds, product weight, down 3.5 percent from last year. As of April 13, 1991, imports under the Law, reported by the U.S. Customs Service, were down 20 percent from 1990.

Most of the decline in imports this year is likely from Australia. In 1990, imports from Australia rose a sharp 33 percent due to increased Australian slaughter because of flooding, heavier slaughter weights, attractive U.S. prices, and a slowdown in shipments to Japan.

Imports from New Zealand are likely to increase this year. Last year, New Zealand reduced its shipments to the United States because of herd rebuilding after a period of drought. The United States takes about 75 percent of New Zealand's beef and veal exports.

Live Cattle Imports To Stay High

Live cattle imports are likely to remain high in 1991 as U.S. demand and prices are forecast to remain strong. Mainly because of relatively high prices, imports from both Canada and Mexico were at record levels in 1990.

Cattle imports from Mexico in 1990 expanded 46 percent from 1989. About 99 percent were steers weighing 200-700 pounds. Mexico's export tariff is scheduled to be reduced from 5 percent (minimum $15 per head) to 1.67 percent in September 1991. The Department of Commerce reported cattle imported from Mexico through February were 2 percent greater than a year earlier.

USDA's Animal and Plant Health Inspection Service provides another, more quickly released, source of data on U.S. imports of cattle from Mexico. Data for January 1-April 6 in-

Table 37--Imports of feeder cattle and calves and hogs from Canada and Mexico

Year	Feeder cattle and calves: Canada	Feeder cattle and calves: Mexico	Hogs: Canada
		Number	
1990			
Jan.	53,709	126,109	119,009
Feb.	68,728	117,738	91,116
Mar.	74,048	122,648	68,791
Apr.	87,155	125,692	90,417
May	90,785	117,799	83,125
June	79,724	71,359	61,262
July	46,664	46,070	61,829
Aug.	57,177	18,022	54,927
Sept.	87,116	39,222	52,186
Oct.	100,289	68,756	74,108
Nov.	61,852	206,038	64,515
Dec.	47,221	201,654	64,992
Total	854,468	1,261,107	886,277
1991			
Jan.	63,580	144,335	82,847
Feb.	86,527	103,582	77,190

Table 38--U.S. beef and veal trade, carcass weight 1/

Country or area	Annual 1990	January - February 1990	January - February 1991	January - February change
	Million pounds			Percent
Imports				
Australia	1084.4	162.7	147.3	-9.5
New Zealand	577.9	100.5	119.9	19.3
Canada	222.4	43.2	38.0	-12.0
Brazil	43.8	19.6	0.1	-99.7
Argentina	209.2	33.9	38.0	12.3
Central America	186.4	29.0	33.2	14.2
Other	31.9	3.1	4.7	49.3
Total	2355.9	392.0	381.1	-2.8
Exports				
Japan	574.4	93.0	106.1	14.1
Canada	191.1	30.0	35.2	17.2
Caribbean	24.6	3.8	3.9	2.5
Korea, S.	97.7	2.9	16.2	449.5
Other	118.2	16.5	31.7	92.7
Total	1006.0	146.2	193.0	32.0

1/ Data may not add due to rounding. Percent change calculated from unrounded data.

Table 39--U.S. live cattle trade 1/

Country or area	Annual 1990	January - February 1990	January - February 1991	Percent change
	Thousand head			Percent
Imports				
Mexico	1261.2	243.8	248.0	1.7
Canada	873.8	124.4	151.2	21.5
Other	0.0	0.0	0.0	---
Total	2135.0	368.3	399.2	8.4
Exports				
Mexico	64.2	9.7	21.0	115.8
Canada	34.6	7.4	6.6	-10.2
Other	21.1	2.4	2.6	11.2
Total	119.9	19.5	30.3	55.3

1/ May not add due to rounding. Percent change calculated from unrounded data.

dicate that imports were down 13 percent from a year earlier, suggesting that feeder cattle imports slowed in March.

U.S. imports of Canadian cattle in 1990 totaled 873,791 head, 49 percent above 1989. Imports of cattle weighing 700 pounds accounted for 75 percent of the total, up 38 percent from 1989. In addition, imports of Canadian cattle weighing 200-700 pounds rose 160 percent and expanded from 10 percent of Canada's total in 1989 to 18 percent in 1990.

Preliminary Canadian trade data for January 1-April 20, 1991, indicate slaughter cattle exports to the United States were down 11 percent from last year and feeder cattle exports were up 97 percent.

Sheep and Lambs

First-quarter lamb and mutton production was 98 million pounds, up 6 percent from a year earlier. March production increased 12 percent from a year earlier to 36 million pounds, but the month had an extra slaughter day. The large production increases kept prices for the first quarter below $50. Slaughter lamb prices at San Angelo, Texas, were about $49 for the first quarter, 19 percent below first-quarter 1990.

Prices in late March broke above $50 due to spring holiday demand and the switch to spring lamb price quotes. Second-quarter production will be slightly above 1990, at 90 million pounds. Prices for slaughter lambs at San Angelo are expected to average $56 to $60 for the second quarter. Third-quarter production is expected to be about 87 million pounds, up about 4 percent. Fourth-quarter production should be about 91 million pounds, down about 1 percent. Prices for slaughter lambs at San Angelo are expected to average about $53 for the last half of the year.

Two new pieces of information about the sheep and lamb industry are available. The Bureau of Labor Statistics (BLS), began reporting a composite retail lamb price beginning in January 1991. The weights used in this composite are not reported and are not likely the same as the carcass proportion. This limits the ability to compare these prices back to the wholesale or farm levels. Retail lamb prices for January, February, March, and April were $3.51, $3.56, $3.44, and $3.53, respectively.

The second piece of information is a survey on predator losses. In April, USDA's National Agricultural Statistical Service (NASS) released a survey titled *Sheep and Goat Predator Loss*. Individuals interested in obtaining a copy of this report should contact ERS/NASS (1-800-999-6779).

Table 40--Commercial sheep and lamb slaughter 1/ and production

Year	Lambs	Sheep	Total	Dressed weight	Production
	-------1,000 head-----			Lb	Mil lb
1988					
I	1,292	62	1,354	63	85
II	1,178	82	1,260	63	80
III	1,256	80	1,336	60	80
IV	1,265	79	1,344	63	84
Year	4,991	303	5,294	62	329
1989					
I	1,308	65	1,373	64	88
II	1,198	96	1,294	62	80
III	1,265	100	1,365	59	81
IV	1,351	83	1,434	64	92
Year	5,122	344	5,466	62	341
1990					
I	1,356	68	1,424	65	93
II	1,315	91	1,406	63	89
III	1,281	89	1,370	61	84
IV	1,369	85	1,454	63	92
Year	5,321	333	5,654	63	358
1991					
I	1,465	69	1,534	65	99

1/ Classes estimated.

Table 41--Corn Belt cattle feeding: Selected costs at current rates 1/

Purchased During 1989-90 Marketing During 1990-91	May Nov.	Jun. Dec.	Jul. Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. Jun.	Jan. Jul.	Feb. Aug.	Mar. Sept.	Apr. Oct.
Expenses: ($/head)												
600 lb. feeder steer	551.40	564.78	561.00	553.80	549.00	NA	556.50	556.02	544.20	556.50	569.28	594.78
Transportation to feedlot-400 miles	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28	5.28
Corn (45 bu.)	118.57	121.05	117.90	111.60	102.83	98.10	97.20	99.45	101.25	103.50	108.00	110.25
Silage (1.7 tons)	43.01	42.92	41.62	39.45	38.36	37.46	38.00	38.98	38.62	39.47	40.46	39.90
Protein supplement (270 lb.)	35.10	35.10	36.72	36.72	36.72	36.99	36.99	36.99	35.91	35.91	35.91	36.45
Hay (400 lb.)	14.70	14.30	13.80	13.10	13.50	13.50	14.00	14.40	13.90	14.20	14.30	13.60
Total feed costs	211.39	213.37	210.04	200.87	191.40	186.05	186.19	189.82	189.68	193.08	198.67	200.20
Labor (4 hrs.)	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72	15.72
Management (1 hr.) 2/	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86	7.86
Vet medicine 3/	5.92	5.92	5.95	5.95	5.95	6.06	6.06	6.06	6.09	6.09	6.09	6.13
Interest on purchase (6 months)	32.75	33.55	33.32	32.90	32.61	NA	33.03	33.00	32.03	32.75	33.50	33.81
Power, equip., fuel, shelter, deprec. 3/	27.62	27.62	27.73	27.73	27.73	28.25	28.25	28.25	28.39	28.39	28.39	28.61
Death loss (1% of purchase)	5.51	5.65	5.61	5.54	5.49	NA	5.57	5.56	5.44	5.57	5.69	5.95
Transportation (100 miles)	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31	2.31
Marketing expenses	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Miscellaneous and indirect costs 3/	11.94	11.94	11.99	11.99	11.99	12.22	12.22	12.22	12.28	12.28	12.28	12.37
Total	881.06	897.35	890.16	873.29	858.69	NA	862.33	865.45	852.62	869.16	888.41	916.37
Selling price required to cover: ($/cwt.)												
Feed and feeder cost (1050 lb.)	72.65	74.11	73.43	71.87	70.51	NA	70.73	71.03	69.89	71.39	73.14	75.71
All costs (1050 lb.)	83.91	85.46	84.78	83.17	81.78	NA	82.13	82.42	81.20	82.78	84.61	87.27
Feed cost per 100 lb. gain (450 lb.)	46.98	47.42	46.68	44.64	42.53	41.35	41.37	42.18	42.15	42.91	44.15	44.49
Choice steers, Omaha (1000-1100 lb.)	79.93	80.88	79.85	78.63	80.75	80.77						
Net margin	-3.98	-4.58	-4.93	-4.54	-1.03	NA						
Prices:												
Feeder steer, Choice (600-700 lb.)												
Kansas City $/cwt.	91.90	94.13	93.50	92.30	91.50	NA	92.75	92.67	90.70	92.75	94.88	99.13
Corn $/bu. 4/	2.64	2.69	2.62	2.48	2.29	2.18	2.16	2.21	2.25	2.30	2.40	2.45
Hay $/ton 4/	73.50	71.50	69.00	65.50	67.50	67.50	70.00	72.00	69.50	71.00	71.50	68.00
Corn silage $/ton 5/	25.30	25.25	24.49	23.21	22.56	22.04	22.35	22.93	22.72	23.22	23.80	23.47
Protein supplement (32-36%) $/cwt. 6/	13.00	13.00	13.60	13.60	13.60	13.70	13.70	13.70	13.30	13.30	13.30	13.50
Farm labor $/hour	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93	3.93
Interest rate, annual	11.88	11.88	11.88	11.88	11.88	11.87	11.87	11.87	11.77	11.77	11.77	11.37
Transportation rate $/cwt. per 100 mile 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing expenses $/cwt. 8/	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35	3.35
Index of prices paid by farmers (1910-14=100)	1260	1260	1265	1265	1265	1289	1289	1289	1295	1295	1295	1305

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individuals for management, production, and locality of operation. 2/ Assumes 1 hour at twice the labor rate. 3/ Adjusted quarterly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 4/ Average price received by farmers in IA and IL. 5/ Price derived from an equivalent price of 5 bushels corn and 330 lb. hay. 6/ Average price paid by farmers in IA and IL. 7/ Converted from cents/mile for a 44,000-lb. haul. 8/ Yardage plus commission fees at a Midwest terminal market.

Table 42--Great Plains custom cattle feeding: Selected costs at current rates 1/

Purchased During 1989-90 Marketed During 1990-91	May Nov.	June Dec.	July Jan.	Aug. Feb.	Sept. Mar.	Oct. Apr.	Nov. May	Dec. June	Jan. July	Feb. Aug.	Mar. Sept.	Apr. Oct.
Expenses: ($/head)												
600 lb. feeder steer	523.80	525.78	536.64	564.60	545.28	540.00	539.28	552.00	554.28	575.28	567.00	571.50
Transportation to feedlot (300 miles)	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96	3.96
Commission	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Feed												
Milo (1500 lb) 2/	72.15	72.45	74.85	69.45	67.05	64.95	66.45	70.05	69.75	70.95	73.05	72.60
Corn (1500 lb) 2/	85.50	85.65	82.35	78.00	70.95	69.75	71.55	73.20	72.75	74.85	77.40	79.20
Cotton seed meal (400 lb)	63.60	63.60	52.40	52.40	52.40	53.60	53.60	53.60	51.60	51.60	51.60	48.80
Alfalfa hay (800 lb) 3/	56.80	51.20	58.00	59.20	50.00	53.60	55.60	56.40	61.60	55.60	58.00	52.80
Total feed cost	278.05	272.90	267.60	259.05	240.40	241.90	247.20	253.25	255.70	253.00	260.05	253.40
Feed handling and management charge	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00	21.00
Vet medicine	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Interest on feeder and 1/2 feed	39.77	39.73	40.23	41.65	39.93	39.66	39.77	40.72	40.93	40.35	38.34	38.40
Death loss (1.5% of purchase)	7.86	7.89	8.05	8.47	8.18	8.10	8.09	8.28	8.31	8.63	8.50	8.57
Marketing 4/	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.	f.o.b.
Total	880.44	877.26	883.48	904.73	864.75	860.62	865.30	885.21	890.18	908.22	904.85	902.83
Selling price required to cover: 5/ $/cwt.												
Feed and feeder cost (1056 lb)	75.93	75.63	76.16	78.00	74.40	74.04	74.48	76.25	76.70	78.44	78.32	78.12
All costs	83.37	83.07	83.66	85.67	81.89	81.50	81.94	83.83	84.30	86.01	85.69	85.50
Selling price 6/	81.12	81.26	79.54	79.56	80.95	80.82						
Net margin	-2.25	-1.81	-4.12	-6.11	-0.94	-0.68						
Cost per 100 lb. gain:												
Variable cost less interest $/cwt.	61.98	60.96	59.93	58.30	54.52	54.80	55.86	57.11	57.60	57.13	58.51	57.19
Feed costs $/cwt.	55.61	54.58	53.52	51.81	48.08	48.38	49.44	50.65	51.14	50.60	52.01	50.68
Prices: ($/cwt)												
Choice feeder steer 600-700 lb. Amarillo	87.30	87.63	89.44	94.10	90.88	90.00	89.88	92.00	92.38	95.88	94.50	95.25
Transportation rate $/cwt/100 miles 7/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Commission fee $/cwt.	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Feed, Prices, Texas												
Milo $/cwt	4.66	4.68	4.84	4.48	4.32	4.18	4.28	4.52	4.50	4.58	4.72	4.69
Corn $/cwt.	5.55	5.56	5.34	5.05	4.58	4.50	4.62	4.73	4.70	4.84	5.01	5.13
Cottonseed Meal (41%) $/cwt. 8/	15.90	15.90	13.10	13.10	13.10	13.40	13.40	13.40	12.90	12.90	12.90	12.20
Alfalfa hay $/ton	112.00	98.00	115.00	118.00	95.00	104.00	109.00	111.00	124.00	109.00	115.00	102.00
Feed handling and management $/ton	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Interest, annual rate 9/	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	11.50	11.00	11.00

1/ Represents only what expenses would be if all selected items were paid for during the period indicated. The feed ration and expense items do not necessarily coincide with experience of individual feedlots. For individual use, adjust expenses and prices for management, production, and locality of operation. Steers are assumed to gain 500 lb in 180 days at 2.8 lb per day with feed conversion of 8.4 lb per pound gain. 2/ Texas Panhandle elevator price plus $.15/cwt handling and transportation to feedlots. 3/ Average price received by farmers plus $30/ton handling and transportation to feedlots. 4/ Most cattle sold f.o.b. at the feedlot with 4-percent shrink. 5/ Sale weight 1,056 lb (1,100 lb less 4-percent shrink). 6/ Choice slaughter steers, 900-1100 lb, Texas-New Mexico direct. 7/ Converted from cents per mile for a 44,000-lb haul. 8/ Average prices paid by farmers. 9/ Prime rate plus 2 points.

Table 43--Farrow-to-finish hog production costs and returns, 1,600 head annual sales, North Central Region 1/

Item	1990						1991			
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
	Dollars per cwt									
Cash receipts: 2/										
Market hogs (94.25 lb)	58.76	53.50	52.00	54.52	47.80	45.70	47.97	49.75	48.89	48.19
Cull sows (5.75 lb)	2.73	2.76	2.63	2.78	2.54	2.32	2.39	2.50	2.65	2.70
Total	61.49	56.26	54.63	57.30	50.34	48.02	50.36	52.25	51.54	50.89
Cash expenses:										
Feed--										
Corn (345.6 lb)	14.20	14.78	15.36	15.54	15.46	14.92	14.17	13.93	14.08	14.32
Soybean meal (70.6 lb)	8.76	8.25	8.25	8.25	7.92	7.92	7.92	7.82	7.82	7.82
Mixing concentrates (14.3 lb)	2.95	2.95	2.96	2.92	2.87	2.86	2.86	2.86	2.87	2.84
Total feed	25.91	25.98	26.57	26.71	26.25	25.70	24.95	24.61	24.77	24.98
Other--										
Veterinary and medicine 3/	0.77	0.77	0.77	0.76	0.75	0.74	0.74	0.74	0.74	0.74
Fuel, lube, and electricity	1.47	1.46	1.50	1.50	1.50	1.46	1.45	1.45	1.46	1.46
Machinery and building repairs	2.45	2.45	2.46	2.42	2.41	2.42	2.42	2.42	2.42	2.42
Hired labor 4/	1.36	1.36	1.40	1.32	1.32	1.32	1.32	1.32	1.34	1.34
Miscellaneous	0.64	0.64	0.65	0.65	0.63	0.63	0.63	0.63	0.63	0.64
Total variable expenses	32.60	32.66	33.35	33.36	32.86	32.27	31.51	31.17	31.36	31.58
General farm overhead	2.25	2.06	2.01	2.13	1.81	1.72	1.80	1.87	1.85	1.84
Taxes and insurance	0.68	0.65	0.68	0.66	0.65	0.65	0.65	0.63	0.64	0.63
Interest	4.89	4.48	4.35	4.56	4.00	3.82	4.01	4.16	4.10	4.05
Total fixed expenses	7.82	7.19	7.04	7.35	6.46	6.19	6.46	6.66	6.59	6.52
Total cash expenses 5/	40.42	39.85	40.39	40.71	39.32	38.46	37.97	37.83	37.95	38.10
Receipts less cash expenses	21.07	16.41	14.24	16.59	11.02	9.56	12.39	14.42	13.59	12.79
Capital replacement	5.92	5.94	6.01	6.04	5.92	5.87	5.88	5.90	5.87	5.86
Receipts less cash expenses and replacement	15.15	10.47	8.23	10.55	5.10	3.69	6.51	8.52	7.72	6.93

1/The feed rations and expense items do not necessarily coincide with the experience of individual hog operations. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Based on 94.25 lb of barrows and gilts liveweight and 5.75 lb of sows per cwt sold. 3/ Includes costs of feed medication, that is usually included as part of the feed cost. 4/ Based on .204 hours per cwt of liveweight hog marketed. 5/ Does not include a charge for family or operator labor (.732 hours)

Table 44--Corn Belt hog feeding: Selected costs at current rates 1/

Purchased during 1990-91	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
Marketed during 1990-91	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.
Expenses: ($/head)											
40-50 lb feeder pig	47.32	46.35	45.85	45.91	52.33	46.22	49.63	48.50	57.47	63.63	60.97
Corn (11 bu)	29.59	28.88	27.28	25.14	23.98	23.76	24.31	24.75	25.30	26.40	26.95
Protein supplement (130 lb)	18.98	19.50	19.50	19.50	19.50	19.50	19.50	18.85	18.85	18.85	19.05
Total feed	48.57	48.38	46.78	44.64	43.48	43.26	43.81	43.60	44.15	45.25	46.00
Labor & management (1.3 hr)	12.74	12.61	12.61	12.61	13.26	13.26	13.26	14.03	14.03	14.03	14.03
Vet medicine 2/	2.98	2.99	2.99	2.99	3.05	3.05	3.05	3.06	3.06	3.06	3.08
Interest on purchase (4 mo)	1.87	1.84	1.82	1.82	2.07	1.83	1.96	1.90	2.25	2.50	2.31
Power, equip, fuel, shelter deprec. 2/	7.26	7.29	7.29	7.29	7.42	7.42	7.42	7.46	7.46	7.46	7.52
Death loss (4% of purchase)	1.89	1.85	1.83	1.84	2.09	1.85	1.99	1.94	2.30	2.55	2.44
Transportation (100 miles)	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48	0.48
Marketing expenses	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Misc. & indirect costs 2/	0.74	0.75	0.75	0.75	0.76	0.76	0.76	0.76	0.76	0.76	0.77
Total	124.99	123.68	121.54	119.47	126.08	119.27	123.50	122.87	133.10	140.86	138.74
Selling price required to cover: ($/cwt)											
Feed and feeder costs (220 lb)	43.59	43.06	42.10	41.16	43.55	40.67	42.47	41.86	46.19	49.49	48.62
All costs (220 lb)	56.81	56.22	55.25	54.30	57.31	54.21	56.14	55.85	60.50	64.03	63.06
Feed cost per 100-lb gain (180 lb)	26.98	26.88	25.99	24.80	24.16	24.03	24.34	24.22	24.53	25.14	25.56
Barrows and gilts, (7 mkts)	57.15	49.70	48.15	51.00	51.93	51.57	51.01				
Net margin	0.34	-6.52	-7.10	-3.30	-5.38	-2.64	-5.13				
Prices:											
40-lb feeder pig (So. Missouri) $/head	47.32	46.35	45.85	45.91	52.33	46.22	49.63	48.50	57.47	63.63	60.97
Corn $/bu 3/	2.69	2.63	2.48	2.29	2.18	2.16	2.21	2.25	2.30	2.40	2.45
Protein supp. 38-42% %/cwt 4/	14.60	15.00	15.00	15.00	15.00	15.00	15.00	14.50	14.50	14.50	14.65
Labor & management $/hr 5/	9.80	9.70	9.70	9.70	10.20	10.20	10.20	10.79	10.79	10.79	10.79
Interest rate, annual	11.88	11.88	11.88	11.88	11.87	11.87	11.87	11.77	11.77	11.77	11.37
Transportation rate ($/cwt 100 miles) 6/	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22	0.22
Marketing Expenses ($/cwt) 7/	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14	1.14
Index of prices paid by farmers (1910-14=100)	1260	1265	1265	1265	1289	1289	1289	1295	1295	1295	1305

1/ Although a majority of operations in the Corn Belt are from farrow-to-finish, relative fattening expenses will be similar. Costs represent only what expenses would be if all selected items were paid for during the period indicated. The feed rations and expense items do not necessarily coincide with the experience of individual feeders. For individual use, adjust expenses and prices for management, production level, and locality of operation. 2/ Adjusted monthly by the index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. 3/ Average price received by farmers in Iowa and Illinois. 4/ Average prices paid by farmers in Iowa and Illinois. 5/ Assumes an owner-operator receiving twice the farm labor rate. 6/ Converted from cents/mile for a 44,000-pound haul. 7/ Yardage plus commission fees at a Midwest terminal market.

Table 45--Federally inspected cattle slaughter

Week ended	Cattle			Steers			Cows								
							Total			Dairy			Dairy/total		
	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991	1989	1990	1991
	Thousands												Percent		
Jan.															
5	543	548	495	256	263	245	119	120	96	64	57	50	54	48	52
12	627	622	658	290	282	318	131	147	132	68	69	68	52	47	52
19	654	599	650	313	281	326	129	132	123	65	61	63	50	46	51
26	641	637	617	310	318	310	123	119	116	61	59	60	50	50	52
Feb.															
2	625	639	598	300	310	290	114	123	114	60	60	59	53	49	52
9	605	622	606	300	304	295	104	114	114	57	59	60	55	52	53
16	641	601	612	316	300	302	119	102	117	64	53	62	54	52	53
23	628	594	589	309	300	294	108	104	106	62	56	58	57	54	55
Mar.															
2	639	592	605	316	295	303	114	109	115	62	57	63	54	52	55
9	600	613	618	312	312	314	104	103	111	58	55	60	56	53	54
16	588	620	602	288	315	299	119	104	110	61	57	61	51	55	55
23	584	609	571	286	306	279	114	110	108	56	56	59	49	51	55
30	587	608	512	286	307	252	111	108	104	57	55	55	51	51	53
Apr.															
6	609	592	564	300	302	287	118	105	99	57	51	53	48	49	54
13	646	595	598	335	303	303	117	104	105	56	51	55	48	49	52
20	663	627	628	332	326	339	122	102	103	56	49	52	46	48	50
27	652	626	646	332	326	349	122	109	104	54	51	51	44	47	49
May.															
4	666	617		326	322		128	102		56	49		44	48	
11	670	684		339	352		118	105		50	48		42	46	
18	675	681		344	354		115	112		50	49		43	44	
25	673	667		342	347		115	109		50	47		43	43	
June															
1	589	592		301	311		99	91		42	39		42	43	
8	663	665		328	339		114	104		49	44		43	42	
15	680	674		339	349		113	101		49	41		43	41	
22	658	662		331	341		109	103		48	45		44	44	
29	671	664		329	340		112	109		50	44		45	40	
July															
6	564	558		288	291		79	77		37	33		47	43	
13	691	672		335	339		122	113		56	48		46	42	
20	672	673		326	334		115	106		55	45		48	42	
27	638	652		312	334		106	98		52	46		49	47	
Aug.															
3	644	616		326	321		104	96		53	44		51	46	
10	673	646		332	332		107	98		54	47		50	48	
17	652	646		315	326		112	104		53	48		47	46	
24	630	634		304	319		114	108		56	50		49	46	
31	646	636		316	311		111	109		57	53		51	49	
Sept.															
7	562	572		277	287		97	93		49	44		51	47	
14	657	662		327	323		118	113		58	54		49	48	
21	666	643		316	301		117	112		56	51		48	46	
28	670	656		324	324		120	112		56	51		47	46	
Oct.															
5	660	627		310	285		126	114		57	52		45	46	
12	663	635		309	306		128	118		57	53		45	45	
19	648	627		304	298		132	126		57	55		43	44	
26	652	621		297	299		142	131		60	56		42	43	
Nov.															
2	643	644		292	299		139	134		61	56		44	42	
9	660	600		310	282		126	130		57	58		45	45	
16	630	610		292	285		139	127		59	54		42	43	
23	635	540		292	276		143	101		60	43		42	43	
30	533	603		262	296		111	129		47	57		42	44	
Dec.															
7	660	597		301	294		146	130		62	57		42	44	
14	644	638		299	319		149	128		63	59		42	46	
21	635	635		304	316		133	120		58	57		44	48	
28	625	426		298	219		124	75		53	33		43	44	

1/ Corresponding dates to 1991: 1989, Jan. 7, 1990, Jan. 6.

Table 46--Federally inspected hog slaughter

Week ended 1/	Hogs 1989	Hogs 1990	Hogs 1991	Barrows and Gilts 1989	Barrows and Gilts 1990	Barrows and Gilts 1991	Sows 1989	Sows 1990	Sows 1991	Boars and Stags 1989	Boars and Stags 1990	Boars and Stags 1991
						Thousands						
Jan.												
5	1,419	1,337	1,346	1,334	1,255	1,280	69	68	57	13	14	10
12	1,719	1,763	1,814	1,626	1,663	1,723	80	82	75	15	18	16
19	1,679	1,674	1,710	1,590	1,582	1,624	76	75	70	16	17	16
26	1,647	1,684	1,606	1,557	1,601	1,528	72	68	64	15	15	14
Feb.												
2	1,631	1,658	1,566	1,543	1,574	1,486	76	68	65	12	16	15
9	1,656	1,657	1,628	1,582	1,579	1,544	58	63	67	13	15	17
16	1,678	1,681	1,638	1,585	1,606	1,559	75	60	63	15	15	16
23	1,665	1,624	1,618	1,582	1,552	1,543	69	59	61	14	13	14
Mar.												
2	1,621	1,713	1,646	1,532	1,628	1,567	72	68	64	15	16	15
9	1,716	1,614	1,717	1,637	1,538	1,638	66	61	63	14	15	16
16	1,703	1,707	1,686	1,616	1,627	1,612	70	64	60	16	16	14
23	1,601	1,631	1,583	1,517	1,549	1,505	69	66	63	15	16	15
30	1,648	1,591	1,650	1,562	1,513	1,574	70	62	61	16	16	15
Apr.												
6	1,761	1,661	1,615	1,674	1,579	1,538	72	66	61	16	17	16
13	1,780	1,642	1,717	1,681	1,562	1,639	72	64	62	15	16	16
20	1,813	1,594	1,715	1,725	1,516	1,634	72	62	65	16	16	16
27	1,764	1,594	1,663	1,637	1,513	1,585	77	65	63	17	16	15
May.												
4	1,732	1,579		1,637	1,502		77	66		17	17	
11	1,654	1,586		1,565	1,501		76	68		17	17	
18	1,632	1,528		1,494	1,436		73	74		16	18	
25	1,618	1,523		1,516	1,433		84	73		18	17	
June												
1	1,343	1,236		1,260	1,159		69	62		15	14	
8	1,589	1,460		1,474	1,364		87	78		16	18	
15	1,589	1,452		1,483	1,358		88	77		18	17	
22	1,533	1,472		1,434	1,377		83	78		16	17	
29	1,500	1,403		1,400	1,311		83	76		17	16	
July												
6	1,244	1,191		1,157	1,121		64	58		13	12	
13	1,557	1,461		1,446	1,366		96	78		17	18	
20	1,518	1,430		1,432	1,332		95	81		16	17	
27	1,501	1,361		1,393	1,262		92	83		16	16	
Aug.												
3	1,543	1,463		1,428	1,363		99	84		16	17	
10	1,612	1,471		1,507	1,376		89	80		16	16	
17	1,615	1,607		1,503	1,510		89	81		17	16	
24	1,610	1,600		1,506	1,505		89	78		16	16	
31	1,713	1,641		1,601	1,548		95	77		16	16	
Sept.												
7	1,545	1,440		1,446	1,364		81	63		13	12	
14	1,888	1,747		1,777	1,646		96	84		16	17	
21	1,853	1,722		1,750	1,626		86	79		16	17	
28	1,785	1,676		1,688	1,584		82	76		15	16	
Oct.												
5	1,810	1,695		1,711	1,604		85	76		14	16	
12	1,810	1,629		1,716	1,540		80	74		13	14	
19	1,797	1,665		1,703	1,582		80	70		15	13	
26	1,739	1,624		1,644	1,540		83	69		12	14	
Nov.												
2	1,812	1,662		1,713	1,577		83	72		16	14	
9	1,810	1,759		1,711	1,668		85	76		14	15	
16	1,791	1,768		1,692	1,679		84	75		16	14	
23	1,901	1,480		1,802	1,416		85	55		15	10	
30	1,564	1,838		1,486	1,742		66	79		12	17	
Dec.												
7	1,908	1,814		1,802	1,722		89	79		16	14	
14	1,832	1,825		1,729	1,732		89	78		15	16	
21	1,716	1,763		1,621	1,675		81	73		14	15	
28	1,521	1,252		1,436	1,202		74	43		13	7	

1/ Corresponding dates to 1991: 1989, Jan. 7; 1990, Jan. 6.

Table 47--Beef, Choice Yield Grade 3: Retail, wholesale, and farm values, spreads, and farmers' share 1/

Year	Retail price 2/	Wholesale value 3/	Gross farm value 4/	By-product allowance 5/	Net farm value 6/	Farm retail-spread: Total	Farm retail-spread: Wholesale-retail	Farm retail-spread: Farm wholesale	Farmers' Share 7/
	Cents per pound								Percent
1986	226.8	146.5	140.0	15.0	125.0	101.8	80.3	21.5	55
1987	238.4	160.0	157.6	18.9	138.7	99.7	78.4	21.3	58
1988	250.3	169.4	169.4	21.1	148.3	102.0	80.9	21.1	59
1989	265.7	176.8	177.6	20.0	157.6	108.1	88.9	19.2	59
I	260.7	177.3	179.6	19.7	159.9	100.8	83.4	17.4	61
II	267.0	180.4	179.5	19.3	160.2	106.8	86.6	20.2	60
III	268.0	172.5	171.3	20.1	151.2	116.8	95.5	21.3	56
IV	266.9	176.8	180.1	21.2	158.9	108.0	90.1	17.9	60
1990	281.0	189.6	188.9	20.5	168.4	112.6	91.4	21.2	60
I	272.6	186.9	189.5	21.5	168.0	104.6	85.7	18.9	62
II	281.2	189.6	188.0	20.7	167.3	113.9	91.6	22.3	59
III	280.4	185.4	184.7	20.1	164.6	115.8	95.0	20.8	59
IV	289.9	196.4	193.4	19.9	173.5	116.4	93.5	22.9	60
1991									
Jan.	294.9	192.6	190.7	20.5	170.2	124.7	102.3	22.4	58
Feb.	292.5	189.6	190.9	19.8	171.1	121.4	102.9	18.5	58
Mar.	295.4	193.4	194.7	19.2	175.5	119.9	102.0	17.9	59
I	294.3	191.9	192.1	19.8	172.3	122.0	102.4	19.6	59
Apr.	297.1	194.1	194.3	19.0	175.3	121.8	103.0	18.8	59

1/ Series revised August 1990. 2/ Estimated weighted-average of BLS prices of retail cuts from Choice Yield Grade 3 carcass. 3/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale equivalent of 1.142 is used. 4/ Market value to producer for 2.4 lb of live animal, equivalent to 1 lb of retail cuts. 5/ Portion of gross farm value attributed to edible and inedible by-products. 6/ Gross farm value minus farm by-product allowance. 7/ Percent net farm value is of retail price.

Table 48--Pork: Retail, wholesale, and farm values, spreads, and farmers' share

Year	Retail price 1/	Wholesale value 2/	Gross farm value 3/	By-product allowance 4/	Net farm value 5/	Farm retail spread: Total	Farm retail spread: Wholesale-retail	Farm retail spread: Farm-wholesale	Farmers' share 6/
	Cents per pound								Percent
1986	178.4	110.9	87.4	5.0	82.4	96.0	67.5	28.5	46
1987	188.4	113.0	87.9	5.2	82.7	105.7	75.4	30.3	44
1988	183.4	101.0	73.9	4.5	69.4	114.0	82.4	31.6	38
1989	182.9	99.2	75.0	4.6	70.4	112.5	83.7	28.8	38
I	180.0	92.9	69.4	4.3	65.1	114.9	87.1	27.8	36
II	178.6	94.6	71.5	4.4	67.1	111.5	84.0	27.5	38
III	183.9	100.8	78.2	4.8	73.4	110.5	83.1	27.4	40
IV	188.9	108.4	80.8	4.7	76.1	112.8	80.5	32.3	40
1990	212.6	118.3	92.6	5.4	87.2	125.4	94.3	31.1	41
I	196.2	107.1	84.5	5.1	79.4	116.8	89.1	27.7	40
II	208.4	122.5	100.1	5.9	94.2	114.2	85.9	28.3	45
III	222.6	122.8	98.3	5.8	92.5	130.1	99.8	30.3	42
IV	223.1	120.5	87.6	5.1	82.5	140.6	102.6	38.0	37
1991									
Jan.	216.1	109.7	86.5	5.1	81.4	134.7	106.4	28.3	38
Feb.	215.5	110.1	88.3	5.2	83.1	132.4	105.4	27.0	39
Mar.	213.9	110.8	87.7	5.0	82.7	131.2	103.1	28.1	39
I	215.2	110.2	87.5	5.1	82.4	132.8	105.0	27.8	38
Apr.	211.7	109.7	86.4	5.0	81.4	130.3	102.0	28.3	38

1/ Estimated weighted-average of BLS prices of retail cuts from pork carcass. 2/ Value of wholesale quantity equivalent to 1 lb of retail cuts. A wholesale-carcass equivalent of 1.06 is used. 3/ Market values to producer for 1.7 lb of live animal, equivalent to 1 lb of retail cuts. 4/ Portion of gross farm value attributable to edible and inedible by-products. 5/ Gross farm value minus by-product allowance. 6/ Percent net farm value is of retail price.

Table 49--Red meat supply and utilization, carcass and retail weight 1/

Year	Production		Begin-					Total	Per capita	
Beef:	Commer-cial	Farm	ning stocks	Im-ports	Total supply	Ex-ports	Ending stocks	disap-pearance	Carcass weight	Retail weight
	Million pounds								Pounds	
Beef:										
1989										
I	5,530	40	422	567	6,559	227	397	5,935	24.1	17.0
II	5,777	17	397	533	6,724	265	322	6,137	24.8	17.5
III	5,893	17	322	525	6,757	267	307	6,183	25.0	17.6
IV	5,774	39	307	554	6,674	264	335	6,075	24.5	17.2
Year	22,974	113	422	2,179	25,688	1,023	335	24,330	98.4	69.3
1990										
I	5,508	38	335	598	6,479	232	403	5,844	23.5	16.6
II	5,736	16	403	573	6,728	237	340	6,151	24.6	17.4
III	5,823	16	340	597	6,776	270	321	6,185	24.7	17.4
IV	5,567	39	321	588	6,515	267	397	5,851	23.3	16.4
Year	22,634	109	335	2,356	25,434	1,006	397	24,031	96.1	67.8
1991										
I	5,382	38	397	570	6,387	281	367	5,739	22.8	16.1
Year	23,057	109	397	2,280	25,843	1,026	315	24,502	97.1	68.5
Pork:										
1989										
I	3,885	19	437	251	4,592	53	467	4,073	16.5	12.8
II	3,929	8	467	247	4,651	65	442	4,144	16.8	13.0
III	3,790	8	442	198	4,438	65	341	4,032	16.3	12.6
IV	4,155	19	341	199	4,715	79	313	4,323	17.4	13.5
Year	15,759	54	437	895	17,145	262	313	16,571	67.0	52.0
1990										
I	3,905	19	313	212	4,449	69	352	4,028	16.2	12.6
II	3,647	8	352	231	4,238	59	358	3,821	15.3	11.9
III	3,641	8	358	236	4,243	47	290	3,905	15.6	12.1
IV	4,107	19	290	219	4,635	64	296	4,275	17.0	13.2
Year	15,300	54	313	898	16,565	239	296	16,030	64.1	49.8
1991										
I	3,901	19	296	188	4,404	64	358	3,982	15.8	12.3
Year	15,801	54	296	903	17,054	254	375	16,425	65.1	50.5
Veal:										
1989										
I	91	4	5	0	100	0	7	93	0.4	0.3
II	85	2	7	0	94	0	6	88	0.4	0.3
III	84	2	6	0	92	0	5	87	0.4	0.3
IV	84	3	5	0	92	0	4	88	0.4	0.3
Year	344	11	5	0	360	0	4	356	1.4	1.2
1990										
I	79	4	4	0	87	0	4	83	0.3	0.3
II	72	2	4	0	78	0	5	73	0.3	0.2
III	79	2	5	0	86	0	6	80	0.3	0.3
IV	86	3	6	0	95	0	6	89	0.4	0.3
Year	316	11	4	0	331	0	6	325	1.3	1.1
1991										
I	83	4	6	0	93	0	6	87	0.3	0.3
Year	338	11	6	0	355	0	4	351	1.4	1.2
Lamb and Mutton:										
1989										
I	88	2	6	16	112	1	7	104	0.4	0.4
II	80	1	7	16	104	0	8	96	0.4	0.3
III	81	1	8	15	105	1	7	97	0.4	0.3
IV	92	2	7	16	117	0	8	109	0.4	0.4
Year	341	6	6	63	416	2	8	406	1.6	1.5
1990										
I	93	2	8	12	115	1	8	106	0.4	0.4
II	89	1	8	12	110	0	10	100	0.4	0.4
III	84	1	10	14	109	1	9	99	0.4	0.4
IV	92	1	9	20	122	1	8	113	0.5	0.4
Year	358	5	8	58	430	3	8	419	1.7	1.5
1991										
I	98	2	8	15	123	1	8	114	0.5	0.4
Year	366	5	8	57	436	2	9	425	1.7	1.5
Total red meat:										
1989										
I	9,594	65	870	834	11,363	281	878	10,205	41.4	30.5
II	9,871	28	878	796	11,573	329	778	10,465	42.4	31.2
III	9,848	28	778	738	11,392	333	660	10,399	42.0	30.9
IV	10,105	63	660	770	11,598	343	660	10,595	42.7	31.4
Year	39,418	184	870	3,138	43,610	1,287	660	41,663	168.4	124.0
1990										
I	9,585	63	660	822	11,130	302	767	10,061	40.4	29.8
II	9,544	27	767	816	11,154	295	713	10,145	40.6	29.9
III	9,627	27	713	847	11,214	318	626	10,270	41.0	30.1
IV	9,852	62	626	827	11,368	332	707	10,329	41.1	30.3
Year	38,608	179	660	3,313	42,760	1,248	707	40,805	163.2	120.1
1991										
I	9,464	63	707	773	11,007	346	739	9,922	39.4	29.0
Year	39,562	179	707	3,240	43,688	1,282	703	41,703	165.2	121.7

1/ May not add due to rounding. 2/ Forecast. 3/ Beginning in 1989 veal trade no longer reported separately.

Table 50--Poultry supply and utilization

Year	Slaughter Federally Inspected	Slaughter Other	Slaughter Total	Beginning stocks	Total supply	Exports	Ending stocks	Total disappearance	Per capita Retail weight
	Million pounds								Pounds
Young chicken:									
1989									
I	4,129	21	4,150	36	4,186	176	32	3,978	16.1
II	4,389	24	4,413	32	4,445	208	34	4,202	17.0
III	4,395	25	4,420	34	4,455	190	36	4,229	17.1
IV	4,420	25	4,445	36	4,481	240	38	4,203	16.9
Year	17,334	94	17,428	36	17,464	814	38	16,612	67.1
1990									
I	4,495	26	4,521	38	4,559	277	29	4,253	17.1
II	4,657	28	4,685	29	4,715	310	30	4,375	17.5
III 2/	4,630	28	4,658	30	4,688	255	24	4,408	17.6
IV 2/	4,768	30	4,798	24	4,821	301	26	4,494	17.9
Year 2/	18,550	111	18,661	38	18,699	1,143	26	17,530	70.1
1991									
I 3/	4,780	26	4,806	26	4,832	311	28	4,493	17.9
Year 3/	19,600	107	19,707	26	19,733	1,046	30	18,657	73.9
Other chicken:									
1989									
I	137	12	148	157	305	5	146	153	0.6
II	135	12	147	146	293	4	158	131	0.5
III	132	11	143	158	301	6	155	139	0.6
IV	126	11	136	155	292	8	189	95	0.4
Year	530	45	575	157	731	24	189	518	2.1
1990									
I	133	11	145	189	334	8	216	110	0.4
II	145	12	158	216	374	7	236	131	0.5
III 2/	129	11	140	236	376	5	202	169	0.7
IV 2/	113	10	123	202	325	5	224	95	0.4
Year 2/	520	44	565	189	754	25	224	505	2.0
1991									
I 3/	125	11	136	224	360	6	237	117	0.5
Year 3/	510	43	553	224	778	25	225	528	2.1
Total chicken:									
1989									
I	4,266	33	4,299	192	4,491	181	179	4,131	16.7
II	4,524	35	4,559	179	4,738	213	192	4,333	17.5
III	4,527	36	4,563	192	4,756	196	191	4,368	17.7
IV	4,546	35	4,581	191	4,773	247	228	4,298	17.3
Year	17,864	139	18,003	192	18,196	838	228	17,130	69.2
1990									
I	4,628	37	4,665	228	4,893	285	245	4,362	17.5
II	4,802	40	4,843	245	5,088	317	266	4,505	18.0
III 2/	4,759	39	4,798	266	5,063	260	226	4,577	18.3
IV 2/	4,881	39	4,920	226	5,146	306	250	4,590	18.3
Year 2/	19,071	155	19,226	228	19,453	1,168	250	18,035	72.2
1991									
I 3/	4,905	37	4,942	250	5,192	317	265	4,610	18.4
Year 3/	20,110	150	20,260	250	20,511	1,071	255	19,185	76.0
Turkey:									
1989									
I	804	17	820	250	1,070	8	269	793	3.2
II	1,014	25	1,039	269	1,308	10	455	844	3.4
III	1,176	30	1,206	455	1,661	12	569	1,080	4.4
IV	1,181	30	1,211	569	1,780	11	236	1,534	6.2
Year	4,175	101	4,276	250	4,526	41	236	4,250	17.2
1990									
I	983	23	1,007	236	1,243	11	318	913	3.7
II	1,102	27	1,129	318	1,447	10	481	956	3.8
III 2/	1,223	32	1,255	481	1,736	14	624	1,098	4.4
IV 2/	1,253	33	1,286	624	1,909	19	306	1,584	6.3
Year 2/	4,561	115	4,676	236	4,912	54	306	4,551	18.2
1991									
I 3/	1,055	26	1,081	306	1,387	16	362	1,009	4.0
Year 3/	4,735	115	4,850	306	5,157	59	260	4,838	19.2
Total poultry:									
1989									
I	5,070	49	5,119	442	5,561	189	448	4,924	20.0
II	5,538	60	5,599	448	6,047	223	647	5,177	21.0
III	5,704	66	5,770	647	6,416	208	760	5,448	22.0
IV	5,727	66	5,792	760	6,553	258	463	5,832	23.5
Year	22,039	241	22,280	442	22,722	878	463	21,380	86.4
1990									
I	5,611	60	5,672	463	6,135	297	563	5,276	21.2
II	5,904	68	5,972	563	6,535	327	747	5,461	21.9
III 2/	5,982	70	6,052	747	6,799	274	850	5,676	22.7
IV 2/	6,134	72	6,206	850	7,055	325	557	6,173	24.6
Year 2/	23,631	271	23,902	463	24,365	1,222	557	22,586	90.3
1991									
I 3/	5,960	62	6,022	557	6,579	333	627	5,619	22.3
Year 3/	24,845	265	25,110	557	25,667	1,130	515	24,022	95.2

1/ May not add due to rounding. 2/ Estimate. 3/ Forecast.

Table 51--Total red meat and poultry supply and utilization, carcass and retail weight 1/

Year	Total production	Beginning stocks	Imports	Total supply	Exports	Ending stocks	Total disappearance	Per capita Carcass weight	Per capita Retail weight
	Million pounds							Pounds	
Total red meat and poultry:									
1989									
I	14,778	1,312	834	16,925	470	1,326	15,129	61.4	50.5
II	15,497	1,326	796	17,620	553	1,425	15,642	63.3	52.1
III	15,646	1,425	738	17,808	541	1,420	15,847	64.0	52.9
IV	15,960	1,420	770	18,150	601	1,123	16,426	66.1	54.9
Year	61,882	1,312	3,138	66,332	2,165	1,123	63,043	254.8	210.4
1990									
I	15,320	1,123	822	17,266	599	1,330	15,337	61.6	51.0
II	15,543	1,330	816	17,689	623	1,460	15,607	62.5	51.7
III	15,706	1,460	847	18,013	592	1,476	15,945	63.7	52.8
IV	16,120	1,476	827	18,423	657	1,264	16,502	65.7	54.9
Year	62,689	1,123	3,313	67,125	2,470	1,264	63,391	253.6	210.4
1991									
I 2/	15,549	1,264	783	17,586	685	1,366	15,541	61.7	51.5
Year 2/	64,851	1,264	3,240	39,355	2,418	1,218	65,725	260.4	216.9

1/ May not add due to rounding. 2/ Forecast.

Table 52--Egg supply and utilization (population includes military) 1/

Year	Production	Beginning stocks	Breaking egg use	Imports 2/	Total supply	Exports	Hatching egg use 3/	Ending stocks	Consumption Total	Consumption Per capita
Total eggs					Million dozen					
1989										
I	1,393.5	15.2	---	1.9	1,410.5	23.7	155.3	11.7	1,219.8	59.4
II	1,396.9	11.7	---	8.2	1,416.9	21.2	165.4	12.2	1,218.0	59.2
III	1,392.6	12.2	---	10.4	1,415.2	23.2	161.4	11.6	1,219.0	59.1
IV	1,414.8	11.6	---	4.6	1,431.1	23.5	160.7	10.7	1,236.2	59.7
Year	5,597.8	15.2	---	25.2	5,638.2	91.6	642.9	10.7	4,893.0	237.3
1990										
I	1,391.3	10.7	---	1.9	1,403.9	18.4	167.3	13.4	1,204.8	58.1
II	1,410.8	13.4	---	4.1	1,428.3	18.8	173.1	14.4	1,222.1	58.8
III	1,413.0	14.4	---	2.7	1,430.1	25.9	168.9	13.1	1,222.3	58.6
IV	1,444.8	13.1	---	0.4	1,458.3	37.5	166.6	11.6	1,242.5	59.4
Year 4/	5,659.9	10.7	---	9.1	5,679.6	100.5	675.8	11.6	4,891.7	234.8
1991										
I 4/	1,416.8	11.6	---	1.0	1,429.4	32.0	174.2	11.2	1,212.1	57.8
Year 4/	5,711.8	11.6	---	4.0	5,727.4	114.0	719.2	12.0	4,882.2	232.1
Shell eggs										
1989										
I	1,393.5	0.3	219.6	1.4	1,175.5	9.1	155.3	0.5	1,010.6	49.2
II	1,396.9	0.5	257.3	7.6	1,147.7	9.7	165.4	0.8	971.7	47.2
III	1,392.6	0.8	245.1	9.9	1,158.2	16.2	161.4	0.7	979.9	47.5
IV	1,414.8	0.7	227.0	4.1	1,192.6	17.4	160.7	0.4	1,014.1	49.0
Year	5,597.8	0.3	949.0	22.9	4,674.0	52.4	642.9	0.4	3,978.3	192.2
1990										
I	1,391.3	0.4	240.6	1.4	1,152.5	12.1	167.3	0.7	972.4	46.9
II	1,410.8	0.7	268.0	3.8	1,147.3	12.1	173.1	0.7	961.4	46.2
III	1,413.0	0.7	274.8	2.5	1,141.4	13.7	168.9	0.5	958.2	45.9
IV	1,444.8	0.5	267.4	0.3	1,178.3	15.0	166.6	0.4	996.2	47.6
Year 4/	5,659.9	0.4	1,050.7	8.0	4,619.5	53.0	675.8	0.4	3,890.2	185.9
1991										
I 4/	1,416.8	0.4	253.3	0.6	1,164.6	18.0	174.2	0.4	972.0	46.3

1/ Totals may not add due to rounding. 2/ Shell eggs and approximate shell-egg equivalent of egg products. 3/ Hatching egg use for 1986-present calculated by a new method. 4/ Forecast. --- Not applicable for total egg supply and utilization.

Table 53--Average Bureau of Labor Statistics (BLS) retail price per pound of specified meat cuts

Year and item	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
						Dollars						
Choice Beef:												
Ground chuck												
1989	1.81	1.80	1.85	1.82	1.82	1.80	1.81	1.82	1.82	1.84	1.87	1.88
1990	1.91	1.95	1.94	1.97	1.97	1.97	1.95	1.97	1.99	1.97	2.00	2.02
1991	2.00	1.99	1.97	1.98								
Ground beef												
1989	1.40	1.37	1.43	1.42	1.44	1.44	1.44	1.45	1.46	1.45	1.49	1.50
1990	1.56	1.57	1.57	1.59	1.58	1.59	1.58	1.58	1.59	1.58	1.62	1.63
1991	1.65	1.63	1.61	1.61								
Chuck roast, bone in												
1989	1.81	1.91	1.87	1.89	1.90	1.86	1.86	1.78	1.88	1.89	1.92	2.00
1990	2.03	2.12	2.05	2.10	2.12	2.07	2.07	2.04	2.07	2.09	2.15	2.15
1991	2.16	2.16	2.09	2.14								
Chuck roast, boneless												
1989	2.30	2.27	2.35	2.30	2.28	2.31	2.31	2.31	2.27	2.33	2.34	2.43
1990	2.49	2.50	2.44	2.47	2.47	2.43	2.42	2.49	2.47	2.51	2.57	2.60
1991	2.62	2.60	2.62	2.63								
Round roast, boneless												
1989	2.75	2.75	2.76	2.77	2.78	2.73	2.73	2.71	2.78	2.78	2.77	2.78
1990	2.91	2.89	2.93	2.92	2.95	2.92	2.93	2.92	2.89	2.97	2.95	3.02
1991	3.08	3.04	3.08	3.11								
Rib roast, bone in												
1989	4.11	4.04	4.06	4.16	4.24	4.06	4.34	4.29	4.19	4.17	4.19	4.21
1990	4.29	4.29	4.37	4.33	4.44	4.54	4.62	4.57	4.65	4.66	4.56	4.54
1991	4.71	4.69	4.73	4.74								
Round steak, boneless												
1989	3.07	3.09	3.12	3.14	3.10	3.06	3.11	3.12	3.10	3.12	3.18	3.17
1990	3.30	3.31	3.27	3.29	3.32	3.35	3.29	3.32	3.28	3.33	3.39	3.42
1991	3.39	3.39	3.47	3.48								
Sirloin steak, bone in												
1989	3.39	3.40	3.61	3.57	3.70	3.67	3.70	3.66	3.62	3.55	3.57	3.46
1990	3.58	3.55	3.52	3.80	3.61	3.79	3.73	3.73	3.68	3.72	3.74	3.65
1991	3.69	3.61	3.70	3.73								
Sirloin steak, boneless												
1989	3.85	3.95	3.93	3.89	4.02	4.04	4.15	3.99	3.95	3.76	3.81	3.79
1990	3.82	3.85	3.93	4.07	4.19	4.19	4.23	4.22	4.30	4.25	4.24	4.24
1991	4.29	4.23	4.34	4.37								
T-Bone steak, bone in												
1989	4.95	4.91	5.05	5.04	5.14	5.16	5.22	5.10	5.15	5.08	4.99	5.04
1990	5.11	4.56	4.71	4.78	4.96	5.01	4.99	4.91	5.01	4.96	5.41	5.45
1991	5.38	5.44	5.46	5.45								
Pork:												
Bacon, sliced												
1989	1.80	1.80	1.79	1.75	1.68	1.69	1.71	1.72	1.72	1.77	1.82	1.96
1990	1.97	2.01	1.99	1.98	2.04	2.15	2.21	2.24	2.18	2.21	2.24	2.28
1991	2.26	2.30	2.32	2.27								
Chops, center cut												
1989	2.78	2.75	2.80	2.80	2.76	2.82	2.91	2.92	2.95	2.89	2.97	2.85
1990	3.02	2.96	3.01	3.16	3.20	3.44	3.47	3.51	3.36	3.37	3.37	3.32
1991	3.25	3.26	3.27	3.27								
Ham, rump or shank half 1/												
1989	1.58	1.57	1.57	1.58	1.56	1.58	1.61	1.63	1.62	1.63	1.66	1.66
1990	1.70	1.70	1.82	1.72	1.78	1.89	1.91	1.94	1.92	1.93	1.94	1.94
1991	1.73	1.67	1.67	1.64								
Sirloin roast, bone in 1/												
1989	1.89	1.88	1.88	1.88	1.86	1.89	1.92	1.94	1.93	1.94	1.97	1.98
1990	2.02	2.02	2.04	2.06	2.12	2.25	2.28	2.31	2.29	2.31	2.32	2.31
1991	2.31	2.28	2.29	2.25								
Shoulder picnic, bone in												
1989	1.12	1.06	1.06	1.08	1.07	1.08	1.09	1.10	1.10	1.10	1.12	1.17
1990	1.14	1.18	1.18	1.21	1.24	1.28	1.30	1.32	1.35	1.39	1.39	1.41
1991	1.40	1.39	1.33	1.31								
Sausage, fresh, loose												
1989	1.92	1.94	1.92	1.93	1.94	1.93	1.99	2.04	2.02	2.10	2.11	2.12
1990	2.12	2.20	2.16	2.21	2.29	2.41	2.49	2.50	2.49	2.52	2.39	2.42
1991	2.43	2.45	2.35	2.37								
Miscellaneous cuts:												
Ham, canned, 3 or 5 lb												
1989	2.75	2.71	2.63	2.70	2.64	2.68	2.66	2.65	2.70	2.68	2.61	2.62
1990	2.72	2.77	2.75	2.68	2.77	2.85	2.84	NA	NA	NA	NA	NA
1991	3.15	3.17	3.21	3.18								
Frankfurters, all meat												
1989	2.08	2.07	2.07	2.03	2.05	2.02	2.01	2.09	2.09	2.04	2.10	2.11
1990	2.16	2.22	2.23	2.19	2.18	2.31	2.31	2.28	2.37	2.37	2.44	2.40
1991	2.41	2.38	2.42	2.39								
Bologna												
1989	2.22	2.24	2.23	2.24	2.23	2.24	2.24	2.27	2.34	2.38	2.37	2.40
1990	2.42	2.44	2.45	2.47	2.47	2.54	2.52	2.56	2.50	2.50	2.61	2.60
1991	2.63	2.58	2.59	2.61								

1/ ERS estimate from BLS index and historical data. NA= Not available

Table 54--Selected price statistics for meat animals and meat, 1990-1991

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Dollars per cwt											
Slaughter Steers:												
Nebraska direct												
Choice, 1000-1100 lb	78.17	76.68	75.95	77.18	77.60	79.33	81.06	81.42	79.45	79.60	81.23	81.09
Omaha												
Choice, 1000-1100 lb	77.57	75.63	74.46	76.22	75.75	77.50	79.93	80.88	78.95	78.63	80.75	80.77
Select, 1000-1100 lb	75.91	73.88	72.65	73.97	73.57	75.50	77.61	79.31	76.55	76.29	78.46	77.96
California												
Choice, 1000-1100 lb	75.90	74.34	74.75	76.70	76.75	77.58	77.81	77.75	77.88	78.06	79.75	79.25
Colorado												
Choice, 1100-1300 lb	78.13	76.61	75.35	77.63	78.07	79.65	80.89	80.62	79.17	79.35	81.09	80.87
Texas												
Choice, 1000-1100 lb	78.14	76.73	75.07	77.61	78.05	79.82	81.12	81.26	79.54	79.56	80.95	80.82
Slaughter heifers:												
Nebraska												
Choice, 1000-1200 lb	77.68	76.21	75.53	77.02	77.54	79.33	81.03	81.35	79.35	79.56	81.23	81.28
Omaha												
Choice, 1000-1200 lb	77.82	76.08	74.77	76.46	76.41	78.38	80.70	81.19	78.97	78.80	80.87	80.66
Select, 900-1000 lb	74.56	72.41	71.04	72.28	72.17	74.27	76.33	77.89	76.22	75.67	77.78	77.66
Cows:												
Sioux Falls												
Commercial	56.34	56.91	59.63	61.21	59.72	57.88	55.50	56.41	55.81	56.88	57.31	55.60
Breaking Utility	55.53	55.94	56.94	58.70	57.56	55.90	54.00	54.91	53.70	54.58	54.50	52.77
Boning Utility	53.94	55.31	55.75	56.86	55.41	50.58	48.75	50.35	49.41	51.49	52.06	52.13
Cutter	52.58	52.47	53.25	54.81	53.89	49.98	47.00	48.41	47.77	50.33	51.02	51.03
Canner	49.56	49.66	49.75	51.63	51.10	46.37	43.75	44.75	43.60	45.14	46.39	46.03
Vealers: 1/												
Choice, New York	102.00	99.88	96.00	94.60	95.50	95.00	90.63	89.63	91.40	90.88	92.38	93.00
Feeder steers:												
Kansas City												
Medium No. 1,												
400-500 lb	105.30	108.50	107.50	105.50	---	NA	103.75	105.00	104.70	---	112.75	117.38
600-700 lb	91.90	94.13	93.50	92.30	91.50	NA	92.75	92.67	90.70	92.75	94.88	99.13
All weights and grades	85.14	87.77	86.82	87.30	87.58	NA	89.51	89.34	87.89	91.35	91.30	
Okla. City												
Medium No. 1												
400-500 lb	109.74	106.14	106.03	110.42	106.41	104.25	108.96	112.33	112.25	118.44	117.58	120.38
600-700 lb	93.71	94.74	93.35	96.50	94.41	92.14	93.56	95.67	94.21	95.53	96.38	98.52
700-800 lb	86.80	90.39	90.02	91.54	90.91	90.30	92.42	93.19	90.13	90.31	88.88	89.71
Amarillo												
Medium No. 1,												
600-700 lb	87.30	87.63	89.44	94.10	90.88	90.00	89.88	92.00	92.38	95.88	94.50	95.25
Georgia Auctions												
Medium No. 1,												
600-700 lb	86.80	87.13	86.67	87.60	85.00	82.20	82.00	86.67	86.80	92.50	92.63	91.69
Medium No. 2,												
400-500 lb	90.90	89.88	88.17	91.40	87.63	86.90	89.38	92.17	93.10	99.13	101.00	102.88
Feeder heifers:												
Medium No. 1,												
Kansas City												
400-500 lb	95.20	94.38	91.50	91.00	NA	NA	90.25	91.00	93.60	99.00	101.00	103.00
600-700 lb	85.50	84.75	84.75	85.20	85.50	NA	86.75	87.50	85.90	88.25	88.13	90.13
Okla. City												
400-500 lb	96.03	94.30	91.53	96.30	92.97	91.23	97.60	98.92	97.80	101.99	102.10	105.88
600-700 lb	85.50	87.14	87.61	89.74	87.49	85.25	86.58	88.88	87.63	88.16	88.96	89.57
Slaughter hogs:												
Barrows and gilts												
Omaha No. 1 & 2,												
230-240 lb	63.54	61.71	63.18	57.59	55.91	57.60	50.88	49.87	52.33	52.97	52.52	51.74
All weights	62.21	60.71	62.31	56.94	55.34	57.71	50.01	48.56	51.52	52.38	51.73	51.32
Sioux City	62.80	61.34	62.54	56.37	55.64	58.02	50.17	48.96	51.32	52.31	51.92	51.42
7 markets 2/	62.18	60.75	61.87	56.05	55.10	57.15	49.70	48.15	51.00	51.93	51.57	51.01
Sows:												
7 markets 2/	54.27	52.45	49.20	50.53	47.04	50.38	45.64	41.73	43.44	45.82	47.93	48.02
Feeder pigs:												
No. 1 & 2, So. Mo.,												
40-50 lb (per hd.)	56.80	47.32	46.35	45.85	45.91	52.33	46.22	49.63	48.50	57.47	63.63	60.97
Slaughter lambs:												
Choice, San Angelo	62.25	53.56	53.25	51.20	51.75	52.50	50.42	48.08	47.63	45.81	54.88	55.50
Choice, So. St. Paul	61.70	53.75	51.71	49.82	49.00	50.20	45.89	46.06	46.60	44.65	47.75	49.90
Ewes, Good,												
San Angelo	33.25	32.38	34.83	36.60	32.88	32.00	33.83	34.67	31.94	30.38	34.88	35.50
So. St. Paul	13.88	13.93	15.47	19.74	14.91	16.69	17.11	19.43	22.67	19.95	19.63	20.65
Feeder lambs:												
Choice, San Angelo	64.30	56.50	53.75	58.30	55.75	55.90	57.83	59.17	50.63	49.06	59.25	58.63
Choice, So. St. Paul	64.88	56.45	51.16	48.36	49.50	50.30	49.50	49.70	50.32	47.60	47.00	47.50

Table 54--Selected price statistics for meat animals and meat, 1990-1991--Continued

Item	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.
	Dollars per cwt											
Farm prices:												
Beef cattle	74.60	74.20	73.60	76.00	75.00	75.50	75.30	76.10	76.60	77.00	78.50	78.20
Calves	101.00	98.10	95.90	98.90	95.40	92.80	93.80	96.80	98.00	104.00	107.00	104.00
Hogs	61.20	60.30	60.80	55.90	54.30	56.80	50.20	47.80	50.00	52.10	51.40	50.60
Sheep	19.70	19.60	24.70	24.30	18.90	19.20	20.40	22.40	23.50	19.90	21.50	23.00
Lambs	59.80	55.40	54.40	54.00	52.80	51.90	50.10	48.60	48.00	45.80	51.10	53.60
Meat prices:												
Wholesale												
Central U.S. markets												
Cow beef, Canner and Cutter	101.29	101.51	101.62	105.22	101.93	96.01	91.11	97.32	95.94	100.50	103.43	101.93
Boxed beef cut-out												
Choice, 1-3												
550-700 lb	124.56	121.53	118.54	121.52	121.18	124.96	128.32	129.48	125.04	123.24	125.45	125.96
700-850 lb	125.98	122.56	118.85	121.26	120.33	124.41	128.41	128.73	123.92	122.96	125.02	126.01
Select, 1-3												
550-700 lb	115.75	114.20	113.43	115.13	115.17	116.84	118.83	118.65	120.03	119.98	120.80	120.74
700+ lb	116.54	114.94	113.58	115.23	114.66	115.78	118.38	118.02	119.81	120.01	120.74	121.10
Cutter Cows	107.66	107.39	108.10	112.13	109.49	102.39	99.67	104.74	104.08	107.19	109.92	108.43
Pork loins 14-18 lb 3/	136.06	125.62	144.14	119.56	121.64	113.71	98.94	103.50	107.67	109.13	110.33	104.81
Pork bellies 12-14 lb	61.48	65.15	53.18	51.08	51.31	59.83	60.57	56.58	64.11	57.20	58.52	57.25
Hams, skinned												
14-17 lb	81.60	NA	91.00	nq	101.75	107.24	108.00	86.13	73.00	83.17	81.42	75.00
17-20 lb	81.67	85.60	89.20	91.29	95.82	104.32	97.96	77.46	71.97	77.36	73.01	70.10
Pork cut-out value 4/	81.49	80.61	82.31	76.81	76.16	77.98	72.88	69.32	68.71	69.88	69.40	67.96
East Coast Lamb												
Choice and Prime												
35-45 lb	128.75	119.94	124.88	118.25	117.88	121.25	120.25	120.25	115.72	111.50	125.22	126.50
55-65 lb	125.25	120.25	124.88	120.25	120.00	120.25	114.75	113.75	109.05	106.50	118.97	122.00
	Cents per lb											
Retail												
Beef												
Choice	283.6	282.1	279.9	280.6	280.6	282.7	291.6	295.3	294.9	292.5	295.4	297.1
All fresh	251.5	254.0	255.8	254.7	256.4	259.4	263.4	265.8	261.3	261.6	261.4	265.2
Pork	206.2	218.1	222.2	224.9	220.8	223.2	222.9	223.2	216.1	215.5	213.9	211.7
	Indexes, 1982-84=100											
Price indexes: (BLS)												
Retail meats	126.6	129.6	130.3	130.5	131.0	131.7	133.1	133.6	133.5	132.8	133.1	132.7
Beef and veal	128.5	129.0	129.2	128.5	129.5	130.1	131.9	133.0	132.9	132.6	132.9	133.4
Pork	125.5	132.9	134.8	136.5	135.4	136.4	137.1	136.8	136.5	135.1	135.2	133.3
Other meats	124.2	127.4	127.9	128.0	129.8	130.0	131.4	131.6	131.6	131.2	131.6	131.3
Poultry	132.3	134.0	135.3	133.6	134.6	133.7	130.5	129.7	131.3	132.7	131.9	131.1
Livestock-feed ratios												
Omaha: 5/												
Steer-corn	29.3	27.9	28.5	30.9	34.5	36.5	37.3	36.5	35.3	34.3	34.0	32.8
Hog-corn	23.6	22.4	23.9	23.1	25.1	27.0	23.2	22.0	23.0	22.8	21.8	20.8

NA=data not collected by AMS. --- no quote. 1/ Beginning Jan. 1989 New York auctions (150-250 lb). 2/ St. Louis N.S.Y., Kansas City, Omaha, Sioux City, So. St. Joseph, So. St. Paul, and Indianapolis. 3/ Prior to 1984, 8-14 lb; 1984 and 1985, 14-17 lb; 1986, 14-18 lb. 4/ U.S. #2, 175 lb carcass. 5/ Bushels of No. 2 yellow corn equivalent in value to 100 pounds live weight.

Table 55--Selected marketings, slaughter, stocks, and trade for meat animals and meat, 1989-1990

Item	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.
	1,000 head												
Federally inspected:													
Slaughter													
Cattle	2,690	2,550	2,920	2,873	2,796	2,918	2,553	2,877	2,622	2,380	2,808	2,407	2,442
Steers	1,361	1,314	1,511	1,486	1,421	1,475	1,245	1,360	1,264	1,191	1,380	1,189	1,215
Heifers	810	750	874	894	890	906	822	893	764	674	836	722	720
Cows	469	437	478	438	432	475	433	564	543	471	543	450	458
Bulls and stags	50	49	57	54	52	62	53	59	51	44	49	46	47
Calves	165	128	137	131	140	147	132	158	149	137	151	121	120
Sheep and lambs	481	466	466	426	430	463	422	491	465	449	495	449	546
Hogs	7,279	6,785	6,799	6,153	5,983	7,110	6,716	7,546	7,334	7,140	7,461	6,469	7,044
Percentage sows	3.9	3.9	4.6	5.3	5.5	5.2	4.6	4.4	4.2	4.0	4.1	3.9	3.7
	Pounds												
Average live wt per head													
Cattle	1,137	1,141	1,112	1,119	1,128	1,146	1,151	1,154	1,148	1,150	1,148	1,167	1,159
Calves	263	272	285	288	280	287	291	299	289	303	316	347	352
Sheep and lambs	130	126	129	124	122	122	123	125	125	127	128	129	128
Hogs	248	250	251	252	249	249	248	250	253	252	251	250	250
Average dressed wt													
Beef	682	672	675	679	684	696	699	696	688	691	689	692	692
Veal	161	170	182	186	179	184	188	191	185	194	202	210	210
Lamb and mutton	66	64	65	63	62	62	62	63	64	64	65	65	65
Pork	179	180	181	182	180	180	179	180	183	184	183	182	181
	Million pounds												
Production													
Beef	1,830	1,709	1,965	1,945	1,908	2,024	1,779	1,995	1,798	1,640	1,926	1,659	1,681
Veal	26	22	24	24	24	27	25	30	27	26	30	25	25
Lamb and mutton	31	30	30	27	26	29	26	31	29	29	32	29	35
Pork	1,300	1,220	1,229	1,116	1,076	1,278	1,199	1,357	1,340	1,306	1,363	1,176	1,273
Commercial: 1/	1,000 head												
Slaughter													
Cattle 1/	2,761	2,619	2,993	2,936	2,861	2,984	2,616	2,963	2,701	2,453	2,881	2,469	2,508
Steers	1,397	1,350	1,549	1,519	1,455	1,509	1,276	1,401	1,302	1,227	1,416	1,220	1,249
Heifers	831	770	896	914	911	926	842	920	787	695	858	741	740
Cows	482	449	490	448	442	486	444	581	559	486	557	461	471
Bulls and Stags	51	50	58	55	53	63	54	61	53	45	50	47	48
Calves	169	131	141	135	143	151	136	163	153	140	154	125	123
Sheep and Lambs	493	487	479	440	448	482	440	508	481	465	508	461	480
Hogs	7,455	6,962	6,981	6,321	6,153	7,303	6,889	7,758	7,532	7,355	7,652	6,637	7,219
	Million pounds												
Production													
Beef	1,870	1,748	2,007	1,981	1,945	2,063	1,815	2,044	1,842	1,681	1,968	1,694	1,720
Veal	28	22	25	25	25	28	26	31	28	27	31	26	26
Lamb and mutton	32	31	31	27	27	30	27	32	30	30	33	30	36
Pork	1,329	1,248	1,257	1,142	1,103	1,310	1,228	1,392	1,373	1,342	1,396	1,204	1,301
Cold storage stocks: 2/													
Beef	304	293	270	257	265	240	243	267	277	300	299	271	278
Veal	4	5	5	5	6	6	6	6	6	6	6	6	6
Lamb and mutton	8	8	8	10	10	9	9	8	8	8	9	10	8
Pork	295	320	320	293	256	225	226	232	221	234	248	281	285
Total meat	631	650	629	591	565	507	507	537	535	566	585	590	598
Trade:													
Imports (carcass wt)													
Beef and veal	206.0	173.7	188.7	210.6	195.6	209.5	192.2	187.2	195.6	204.7	196.5	184.6	189.1
Lamb, mutton, and goat	4.5	3.5	3.4	5.3	4.2	4.8	5.0	7.7	5.7	6.8	6.3	4.9	4.2
Pork	82.8	76.3	70.9	83.5	87.6	80.6	68.1	81.1	75.2	62.6	61.5	56.9	69.1
Exports (carcass wt)													
Beef and veal	86.2	70.4	85.0	81.7	84.7	100.6	84.5	89.7	96.7	80.3	94.8	98.2	87.9
Lamb and mutton	0.2	0.4	0.2	0.1	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2
Pork	22.7	23.0	20.1	15.6	15.0	15.6	16.7	18.3	21.3	23.9	22.2	23.1	18.9

1/ Federally inspected and other commercial. Classes estimated. 2/ End of month. Beginning January 1977, excludes beef and pork stocks in cooler.

List of Tables

The Changing Importance of Large Cattle Feedlots

by

Kenneth R. Krause*

Abstract: Large cattle feedlots handle an increasing proportion of the Nation's fed cattle. Much of the 10-million-head increase in fed beef over the past three decades has been concentrated in the four largest cattle feeding States and in the large lots that have developed in them. About 20 of the largest feedlot companies own over 80 lots and have capacity to feed about one-third of the U.S. fed beef. The 13 most important cattle feeding States now account for about 88 percent of the Nation's fed beef. In 1990, lots with a one-time capacity of 16,000 head and over accounted for about 52 percent of the fed cattle marketed in the 13 States, up from 40 percent in 1980 and 7 percent in 1962. In 1990, the 78 feedlots with 32,000 head and over capacity marketed 31 percent of the Nation's fed cattle and the 32 lots with 50,000 head and over marketed 17 percent. [1]

Keywords: Cattle feeding, feedlot, economies of size

Large cattle feedlots have become more important in the feeding and marketing of the Nation's fed cattle during the nearly three decades that the National Agricultural Statistics Service (NASS) has been collecting feedlot data. In 1962, NASS estimated 162,451 feedlots with under 1,000 head, one-time capacity and only 1,271 lots with more than 1,000 head capacity in the 13 major cattle feeding States. Of the latter, 20 had one-time capacities of 16,000-31,999 head and only three could feed over 32,000 head.

The 23 largest lots accounted for 7 percent of the 14.6 million fed cattle marketed in 1962. By 1980, fed cattle output increased to 23.2 million head, and large lots fed a substantially larger share. Large lots continued to increase in importance during the 1980's. In 1990, the 205 lots with a capacity of 16,000 head and over, or about 5 percent of all cattle feedlots, fed about 52 percent (table A-1).

In 1988, NASS, for the first time, provided data for two larger groups of feedlots, 32,000-49,999 head and 50,000 head and over. In 1990, these two categories marketed 14 and 17 percent of the fed beef, respectively. Compared with 1988, there were three more lots in the largest group in 1990, but five fewer with capacities of 32,000-49,999 head. However, the number of lots with 16,000 head and more capacity increased by 12. Small changes in the number and size of lots occur each year, thus, 5- or 10-year comparisons provide a better measure of longer term trends.

The NASS confidentiality rules do not permit identification of the largest lots. Several private firms release material that indicate their lots have a one-time capacity of 100,000 head. Because the large lots have been operating for several years, one can conclude that economies of size exist to the 100,000-head level, or at least that costs do not increase substantially.

Each of the largest lots are owned and managed by unique entrepreneurs at specific locations. Consequently, one can not conclude that there will be more of the largest size lots in the near future. Instead, there may be more feedlot companies with several lots in different locations with total capacities of 100,000 head or more. In 1988, a private firm showed that 20 feedlot companies owned 83 lots that together had a one-time capacity of over 3,000,000 head. These operations could feed and market up to about one-third of the U.S. fed cattle each year.

While fed cattle numbers have increased over 50 percent since 1962, locational changes have accompanied the emerging importance of large feedlots and feedlot companies. [2] The geographical shift in cattle feeding has been to Colorado, Kansas, Nebraska, and Texas, where over 72 percent of the cattle were finished in 1990, compared with only 28.5 percent in 1962.

NASS data indicate a decline of about 117,000 feedlots between 1962 and 1990. Most of the decline occurred in the Corn Belt States. Iowa, for example, had about 50,000 small lots that finished about 17.1 percent of U.S fed cattle in 1962, but only about 16,250 small lots that finished 5.3 per-

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[1] This article is abstracted from an Agricultural Economics Report No. 642, "Cattle Feeding, 1962-89; Location and Feedlot Size" April 1991. Copies are available from ERS-NASS, P.O. Box 1608, Rockville, Maryland 20849-1608. For price information call, toll free 1-800-999-6779 (8:30-5:00 ET). Neither the author nor ERS has copies available for free distribution.

[2] For a more detailed analysis of changes in location of cattle feeding and decrease in lots of under 1,000 head see "Analysis of Fed Cattle Marketings by Region and Feedlot Capacity," *Livestock and Poultry Situation and Outlook Report*, LPS-34, February 1989.

cent in 1990. Thirty-six Iowa feedlots with 1,000 and over capacity finished .5 percent in 1962 and 250 of the larger lots finished 2.4 percent of the fed cattle in 1990. While they declined in number and importance over the past three decades, small lots with less than 1,000 head capacity still accounted for over 15 percent of the fed beef in 1990.

Although small feedlots are projected to remain large in number, they are expected to account for only about 10-15 percent of the fed beef in the future. Many crop farmers, by tradition, continue to feed a few head in the winter months. For those who feed several hundred head annually, cattle feeding provides an important use for labor and, when well managed, an important source of farm income.

Table A-1--U.S. fed cattle marketed by feedlot size and number of lots 1/ 2/

Lot size, head	Lots: Number	Lots: Cumulative Number	Lots: Cumulative Share of total	Cattle Marketed: Number	Cattle Marketed: Cumulative Number	Cattle Marketed: Cumulative Share of total
	Thousands		Percent	Thousands		Percent
1990:						
50,000 and over	32	32	.07	3,878	3,878	17.2
32,000-49,999	46	78	.18	3,023	6,901	30.6
24,000-31,999	58	136	.31	2,675	9,576	42.4
16,000-23,999	69	205	.46	2,088	11,664	51.7
8,000-15,999	189	394	.89	3,389	15,053	66.7
4,000-7,999	218	612	1.39	1,654	16,707	74.1
2,000-3,999	375	987	2.24	1,444	18,151	80.5
1,000-1,999	647	1,634	3.70	936	19,087	84.6
Under 1,000	42,507	44,141	100.00	3,474	22,561	100.0
Total	44,141	44,141	100.00	22,561	22,561	100.0
1980:						
32,000 and over	69	69	.06	4,806	4,806	20.7
16,000-31,999	140	209	.18	4,575	9,381	40.4
8,000-15,999	202	411	.36	2,957	12,338	53.2
4,000-7,999	248	659	.58	1,661	13,999	60.4
2,000-3,999	438	1,097	.98	1,448	15,477	66.6
1,000-1,999	1,051	2,148	1.90	1,356	16,803	72.4
Under 1,000	111,178	113,326	100.00	6,395	23,198	100.0
Total	113,326	113,326	100.00	23,198	23,198	100.0

1/ Data were only available for 13 States in 1990 and 23 States in 1980. 2/ Number of feedlots with 1,000 head or more capacity is the number of lots operating at anytime during the year. Numbers of feedlots with under 1,000 head capacity is the number at the end of the year.

Source: 1990 data--U.S. Dept. of Agriculture, Cattle on Feed, Meat Animals (1-91) National Agricultural Statistics Service (NASS). 1980 data--Cattle, Statistical Bulletin 720, Statistical Reporting Service.

Data for feedlots by lot size above 32,000 head were made available for the first time for 1988.

* U.S. G.P.O.:1991-281-063:40304/ERS

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